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Southeast Asia Report



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27 JUNE 1986

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INDONESIA

UNITED DEVELOPMENT PARTY RIFT REPORTED

Jakarta PELITA in Indonesian 30 Apr 86 pp 1, 12

[Text] Jakarta, PELITA--Only recently recovered from a period of crisis, the United Development Party (PPP) apparently will be shaken by new problems in connection with the 1987 general elections. As Soedardji, chairman of the Central Executive Council of the party, commented to a PELITA representative in the Parliament building on 29 April: "In fact, the conflict within the PPP is not yet completely healed."

The chairman of the United Development Faction in Parliament received a delegation from the West Java and Jakarta Provincial Executive Councils of the party at the Parliament building on 29 April. Among other things the two delegations asked that H. J. Naro be dismissed from his position as general chairman of the Central Executive Council of the PPP. In addition, the Jakarta delegation, led by M. Chomsani, reported that there is unrest within the PPP, both at the central as well as the provincial and branch levels. Meanwhile, the West Java delegation, led by I. Hidayat Zaini and Hotma Tarapul, asked that the Central Executive Council of the PPP reorganize the party structure.

Unauthorized

According to Soedardji, until recently the PPP was going through an internal conflict. It was proved that H. J. Naro, the general chairman, was deliberately organizing a party faction in Parliament which was not subject to party control.

He added in a sharp tone that such a development would certainly endanger Pancasila style democracy. In addition, this would clearly damage the image of Parliament, even though what Naro was organizing was only a small group of people, compared to the total membership of Parliament of some 400 people. According to Soedardji, the general chairman of the Central Executive Council of the PPP is acting in this way because he cannot achieve his aspirations. Clearly, the party which he is leading is a failure as a channel for his aspirations. He added: "This is particularly true of the people who are directly subject to his leadership."

Because he perceived the unfavorable image which was being displayed by Naro, Soedardji, as chairman of the Central Executive Council of the PPP, felt that he was called on to join in assuming responsibility for repairing the damage to the party image. He said that he, as chairman of the Central Executive Council and with support from within the party, is the appropriate person to take steps to deal with the efforts being made by Naro's friends at present.

Later, Soedardji mentioned that the efforts being made by his group included preparing draft legislation and ensuring that the draft bill is enacted into law. He said, with a frown on his forehead: "This is what we must guard against. The party must not be damaged by certain persons who do not wish to see how successful the efforts made by their friends have been."

He again stated firmly that, as evidence of the fact that the problems within the PPP are not yet settled, the PPP faction in Parliament is acting on its own, outside the party. As a result, the party is not functioning as it should. He declared: "I know this is true." On the other hand, he added, Naro would like to get rid of party members who do not follow his leadership. These party members have a rather high sense of dedication and were among those who accepted the Pancasila as the single founding principle of the party. This is a problem, particularly in the preparation of the list of parliamentary candidates.

Already Formed?

He again emphasized: "As chairman of the Central Executive Council, I, of course, must protect my friends, so that they can be included in the future list of candidates." He gave the following reason: in accordance with the provisions of existing law, the list of candidates only needs to be signed by the chairman of the party. He said: "It does not have to be signed by the general chairman."

He stated: "Ismail Mokobombang and I will sign the list of candidates."

When he was asked whether the list of candidates of his group would be fully legal, he said: "The chairman and the secretary are confirmed under the law."

He also did not exclude the possibility that there will be a list of candidates from another group in the party, such as the Naro faction. He said, ending the interview because he felt very tired: "This kind of thing can happen because the PPP is faced with internal conflicts."

Not Legal

Meanwhile, Doctor Mardinsyah, secretary general of the Central Executive Council of the PPP, contacted by a PELITA representative on 29 April in his office, said that those who met with Soedardji in the Parliament building had not acted in accordance with the party constitution and the provisions of existing law.

He declared that there is an agreement between the government and the PPP which provides that only those persons elected on the basis of what was

decided by the national congress are entitled to act in the name of the party. He declared: "The government will not recognize the existence of rival party organizations."

This agreement, Mardinsyah continued, was reached at the meeting between the government and the PPP held on 18 December 1985 at the Hotel Kartika Chandra. The government side was represented by the commander of the Indonesian Armed Forces and commander of the Security and Order Command, as well as the minister of home affairs, as domestic political coordinator. At the time the minister was represented by his director general for social and political affairs. The party delegation at the meeting was represented by the Central Executive Council and the Provincial Executive Council.

The national congress of the party, he added, was held in August 1984 at Ancol, in Jakarta. At the national congress H. J. Naro was elected general chairman and, at the same time, was made the single person responsible for organizing the party. It was on the basis of this election that the party set out its executive leadership at the central and provincial levels.

The Central Executive Council of the PPP decided that at the provincial and branch levels the process of choosing its executive leaders would be handled through provincial and branch conferences. Then, later on, the Central Executive Council would approve the choices made by means of a letter of decision signed by the general chairman and the secretary general.

He said: "Those people taking this action in Parliament are not included among those approved by the Central Executive Council of the PPP." For that reason, he added, according to the party constitution, whatever they do is illegal. And, therefore, the government will not recognize the actions they take.

Answering questions, Mardinsyah stated that the accusation which they make against the general chairman of the PPP has really already been contradicted by the the state prosecutor's office itself. He added: "For that reason, what they have done is illegal in both form and substance."

When a PELITA representative asked what action will be taken by the Central Executive Council of the PPP against Soedardji because of his willingness to support an "illegal" delegation, the secretary general of the PPP said: "We will adopt a wait and see attitude."

He added: "What Soedardji has done, in fact, has been to show disrespect for the policy followed by the government."

He said that the PPP itself has not yet taken any action. Although this was not the first time that Soedardji has acted in this way, the Central Executive Council of the PPP will not take any action in the near future. He added: "Up to now the party's action has emphasized the consideration that the party will always wait for those who have gone astray to become aware of what they have done."

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INDONESIA

RESULTS OF ANTI-GUERRILLA CAMPAIGN IN KALIMANTAN REPORTED

Jakarta HARIAN UMUM AB in Indonesian 28 Apr 86 pp 1, 3

[Excerpts] Jakarta, HARIAN UMUM AB--Operations to wipe out the remnants of Guerrillas belonging to the GPK (Security Disturbance Group), the PGRS [Sarawak People's Guerrilla Troops], and the PARAKU [North Kalimantan People's Troops] in the border areas of Kalimantan are still going on and are being undertaken in an intensive way. A number of members of these armed groups have been rounded up, including those recently captured by forces of Military District 121/ABW (Alamohana Wanawai).

Along with the members of these armed groups who have been captured, the Army also succeeded in seizing 25 guns and rifles of various kinds, together with ammunition. All of these results of the operation to wipe out the remnants of the PGRS/PARAKU groups were reported by Col (Infantry) H. B. L. Mantiri, commander of Military District 121/ABW in West Kalimantan, to Gen L. B. Moerdani, the commander of the Indonesian Armed Forces and of the Security and Order Command, who made a working visit to Pontianak on 25 April. Prior to the presentation of Colonel Mantiri's report, Maj Gen Faisal Tanjung, commander of Military Area VI/Tanjung Pura, reported in general, introductory terms on various aspects of the operation.

The Chinese and the Communists

The remnants of the GPK-PGRS/PARAKU who were captured were Chinese men and women, and it turned out that they were communist cadres. That was proved by the documents on communism seized from them.

Among the documents captured was a copy of a letter sent to Mainland China which described the struggle they were carrying on. It was learned from the documents that among them are those who want to make use of the Armed Farmers Struggle Group in their efforts to bring communism back.

Another thing observed from the appearance of the communist armed rebel remnants who were captured is that they show no signs of wishing to give up. All of them reflected a determined attitude, like the appearance of their friends, many of whom were captured in 1968, as was once observed by the chief of the Information Center of the Indonesian Armed Forces who, at the time, was still the chief of the Information Service of Military Region XII/Tanjung

Pura. This shows that, however small their numbers, they represent a latent communist danger, against which we must always remain alert.

Not on a Large Scale

Regarding the operation to wipe out the guerrillas, General L. B. Moerdani, the commander of the Indonesian Armed Forces and of the Security and Order Command, said that, in fact, it was not on a large scale. However, in view of the results achieved, it was very useful.

General Moerdani said: "The operation has been going on for a rather long time. Because the guerrilla remnants were in a large area, this problem could not be solved very easily in a relatively short time. For that reason the operation to wipe them out had to be carried on in an intensive and continuing way."

The task of wiping out the guerrilla remnants was originally assigned to Military Region XII/Tanjung Pura. However, later on, with the reorganization under which the status of West Kalimantan in the Indonesian Armed Forces changed from that of a military region to a military district, the task and responsibility for ensuring its security, in addition to wiping out the guerrilla remnants, were turned over to Military District 121/ABW.

In the implementation of the operation, in particular, staff elements of the military district were directly involved in field activity. In view of their nearness to actual operations, orders for the implementation of the task could be transmitted more quickly and in a more coordinated fashion, so that it was possible to achieve the desired goal in the manner hoped for. This is an advantage resulting from the reorganization of the Indonesian Armed Forces, which has begun to be completed in the field.

Accompanying the commander of the Indonesian Armed Forces and commander of the Security and Order Command during his working visit to West Kalimantan were Lt Gen Dading Kalbuadi, the chief of the general staff of the Indonesian Armed Forces, and Commodore Soedibjo and Air Commodore Teddy Rusdi, assistants to the chief of the general staff of the Indonesian Armed Forces.

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INDONESIA

PROBLEMS OF TRANSMIGRATION PROGRAM DESCRIBED

Jakarta TEMPO in Indonesian 26 Apr 86 pp 16-17

[Text] The budget for the transmigration program has been sharply reduced by more than 40 percent. However, even prior to this step, the program has never been fully carried out. Unexpended budgetary funds have been available every year.

This is a bitter time for Minister of Transmigration Martono, among other people. The problem is that for the first time since the First 5-Year Plan was adopted, the transmigration target has had to be reduced deliberately. Speaking frankly, Minister Martono said that the prestige of the department which he heads "will be lower this year, and not like in the past."

Furthermore, this lower prestige is not due to the recession. The state budget has had to be drafted realistically. As a result, the national budget for the transmigration program has been reduced by about 40 percent--more than ever before. During the past fiscal year the budget amounted to about 578.257 billion rupiahs. In the new fiscal year, which began on 1 April, the budget will be only 325.4 billion rupiahs.

Consequently, reducing the budgetary funds will certainly affect the transmigration program, as has happened in East Kalimantan, for example. During the 1985 fiscal year 26.5 billion rupiahs were provided for the province for use on 14 transmigration projects. This year there will only be 4 billion rupiahs available for two projects. Consequently, a number of programs will have to be reviewed. Indeed, some of them will have to be completely canceled. Furthermore, Wargito Rahardjo, chief of the East Kalimantan Provincial Transmigration Office, said: "There will also be a reduction in the number of personnel available for the program."

One transmigration program which will be canceled will be the Talisayan project in Berau Regency, which was planned to accommodate 874 families. So will another project at Muara Ancalong, Kutai Regency, which was to accommodate 800 families. Wargito said further: "Fortunately, the preparation of those two projects had not begun at all." If preparations had been made there, they would certainly have been wasted.

Indeed, there are five project locations which are being left unfinished, as there are no resettlement funds available for them. However, the land has been cleared and houses for the transmigrants have also been built. How much did this cost? Wargito said: "We haven't yet completed the inventory." Nevertheless, the provisional results of the budget reduction indicate that the preparation of more than 12,000 hectares and the construction of about 644 houses in 5 resettlement locations have been left uncompleted.

The number of workers in the transmigration sector has also been reduced. At present, transmigration projects in East Kalimantan as a whole employ 14 project directors, 12 personnel transferred from the Department of Public Works, 5 from the Department of Defense and Security, and about 740 salaried workers. The number of salaried workers will be reduced and the personnel assigned to the transmigration program from the Department of Public Works will be returned to their original department. Wargito added: "Of those seconded from the Department of Defense and Security, just two will be left. Out of the 14 project directors, there will just be 2 left."

In Minister Martono's opinion it is logical for the number of project directors to be reduced. He said: "This is the right thing to do." As a result of the reduction in the budget, the program will have to be cut. He said: "Logically, there would be project directors who no longer have a job." Indeed, the Department of Transmigration has been forced to change its policy. Up to now some 80 percent of the general transmigration program has been financed by the government, while the rest of the transmigration program has been devoted to transmigrants who go of their own volition and local transmigration projects. He said: "Transmigrants who go of their own volition will receive greater emphasis."

However, apart from the reduction in the budget this year, the failure to resettle transmigrants is not something new. This also happened when the government had a great deal of money available from oil receipts. The failure of the program results from a number of causes. These include conflicts of interest with the Department of Forestry. For example, as Minister Martono mentioned himself, this also happened in East Kalimantan.

In this province there are projects which are 80 percent financed by the World Bank, with the remaining funds coming from the state budget. The target is that over a period of 5 years 10,970 families can be resettled. However, it has turned out that in the best year only 1,500 families were resettled. This failure is not because of reduced funds. When it was desired to clear the land, it turned out that the forest was controlled by people holding Forestry Concession Licenses (HPH). It was necessary to hold discussions between the owners of the HPH licenses and the Department of Forestry. Martono said: "The discussions took a long time, and, as a result, first priority was given to the holders of the HPH licenses."

With this exception the amount of funds available in the state budget do not reflect actual program performance. For example, almost every year there were funds left over from the Development Budget [SIAP] for the transmigration program in South Kalimantan. During fiscal year 1984-85 these unused budgetary funds amounted to 11 billion rupiahs, while in fiscal year 1985-86 they amounted to 8 billion rupiahs. As a result, with a smaller budget, the program may be more realistic, compared with the program planned for up to now.

INDONESIA

1986 RICE OUTPUT EXPECTED TO RISE

Jakarta SUARA KARYA in Indonesian 26 Apr 86 p 3

[Text] Jakarta, SUARA KARYA--Indonesian rice production in 1986, according to Estimate No 1 of the Central Statistical Office (BPS), is expected to increase by 0.18 percent, compared to production in 1985, which amounted to 26,537,000 tons. Engineer Wardoyo, deputy minister for the increased production of food, made this statement to the press in his office on 25 April.

The rice production estimate is issued three times a year by the BPS, covering two planting seasons (the rainy and dry season). In this way definite and official figures are obtained. Among other things the estimate is based on the area planted and harvested, as well as conditions before, during, and after the harvest.

In his presentation to the "Technical Consultative Meeting on the Development of the Rice Processing Industry," held by BULOG on 19 March 1986 in Jakarta, Deputy Minister Wardoyo said that the rice production target would be held down to a level of 26,867,000 tons, or an increase of 1.24 percent by comparison with 1985.

According to the deputy minister, the increase in the production of rice in 1986 would be the smallest by comparison with previous years. In 1985 Indonesian rice production increased by 2.5 percent, compared with 1984; and 1984 production increased by 7 percent, compared with 1983. During the First, Second, and Third 5-Year Plans Indonesian rice production increased rather sharply, by 4.8, 3.9, and 6.5 percent annually.

Wardoyo stated that the small increase in rice production in 1986 reflects a deliberate decision to ensure that the storage capacity of existing warehouses is not exceeded and at the same time to give the farmers an opportunity to diversify their planting with other, valuable crops, such as corn and soybeans. He said: "It turns out that the rice harvest area in 1986 will probably be 300,000 hectares smaller than it was in 1985."

He admitted that the smaller increase in production cannot go on continuously. He stated: "If this happens, a red light would go on, because eventually production would not be enough to meet consumption needs. Consequently, we would again have to import rice."

To ensure against the possibility that increased rice production will no longer occur, Deputy Minister Wardoyo said that we must now begin to try to make use of other forms of technology, such as new and higher yielding varieties of rice. The deputy minister mentioned "new rice varieties, such as Batang Pane and Progo, which are more productive, compared to the IR-36 and Cisadane varieties."

He declared that the technological package which he is considering and which brings results relatively quickly involves broadening the use of organic or cattle fertilizer, because it turns out that not even half of the area covered by flooded rice fields in Indonesia uses that kind of fertilizer. According to Wardoyo, in addition to organic fertilizer, we need to consider the use of calcium fertilizer containing trace elements of zinc, magnesium, sulphur, and barium.

He admitted that the use of inputs containing those elements would increase the cost of production of rice. However, if the farmers see the results, they certainly will not object to it.

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INDONESIA

DECLINE IN PROFITS OF KRAKATAU STEEL CORPORATION REPORTED

Jakarta MERDEKA in Indonesian 30 Apr 86 p 9

[Text] Jakarta, 29 April, MERDEKA--During the first quarter of 1986 PT Krakatau Steel had profits of \$78 million, Engr T. Ari Wibowo, president and director of Krakatau Steel, announced to the press in Jakarta on 29 April.

He said that profits were lower or had declined by \$2 million, compared with profits made by the company during the same period of 1985, when they amounted to \$80 million.

According to T. Ari Wibowo, production by Krakatau Steel during the first quarter of 1986 amounted to about 761,472 tons, or an increase of about 51.214 percent, compared to production during the same period of 1985, when it amounted to 484,352 tons.

During the first quarter of 1986 production consisted of 306,203 tons of sponge steel, 139,948 tons of slab steel, 127,963 tons of hot rolled coil steel, 101,043 tons of steel billets, 48,547 tons of steel rods, 31,536 tons of steel shapes, 2,574 tons of profile steel, and 3,658 tons of steel wire.

According to Engr Ari Wibowo, during 1986 Krakatau Steel has budgetary funds for the production of 3.0 million tons of steel.

He is convinced that Krakatau Steel will be able to reach this production level, because orders for most of this steel have already been received by the company. Therefore, the sale of the steel actually produced will be no problem.

Steel Imports Reach \$90 Million

In his speech, which was listened to by the directors and officers of the company and of subsidiaries of Krakatau Steel and also attended by senior company officials, Major General (Retired) Supardi, president and director of Krakatau Steel, said that during the first quarter of 1986 the company had exported steel products worth about \$15.4 million, including steel reinforcing rods to India and slab steel to Japan, the People's Republic of China, Malaysia, Thailand, Great Britain, and the United States. These steel exports were worth about five times as much as was exported during the same period of 1985, when \$2.9 million in steel exports were recorded.

However, according to Ari Wibowo, to meet domestic needs, Krakatau Steel was forced to import 220,000 tons of steel products during the first quarter of 1986, valued at \$90 million.

These imports were about 24 percent higher than during the same period in 1985, when they amounted to 195,000 tons, worth \$72 million.

The president and director of Krakatau Steel said that most of these imports consisted of cold rolled sheet steel and seamless pipe for industrial and oil refining needs and a small amount of special steel sheets of various kinds.

Domestic Prices

Asked about the high prices of domestic steel, the president and director of Krakatau Steel admitted that domestic prices were a little higher than the imported product.

However, he said that it was not fair to compare domestic and imported steel prices, because, in his view, the export volume of all producing countries was only about 20 percent of total production, while the remaining 80 percent was consumed domestically.

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PHILIPPINES

ADVISER CLAIMS DENG XIAOPING AQUINO'S ROLE MODEL

HK040420 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 86 p 10

[Report from Manila by Vernon Ram]

[Text] China's paramount leader, Mr Deng Xiaoping, will be the role model for President Corazon Aquino in her strategy to resuscitate the battered economy of the Philippines.

The man who made this pronouncement was Mr Bernardo Villegas--and he should know.

Mr Villegas is the chief economist at the Centre for Research and Communication, a think tank which influences Mrs Aquino's economic planning.

The scholarly technocrat has also been named to the Constitutional Committee (Con-Com) charged with drafting the country's constitution.

Mr Villegas said Mrs Aquino's target is to match China's phenomenal performance of the past six years, which have witnessed a 10 to 12 percent annual growth in gross national product.

This expansion, he said, was fueled mainly by China's small-farm sector.

"The market-oriented reforms in China benefited mainly the millions of small farmers, especially in Guangdong Province, whose income rose faster than those of urban dwellers."

Mrs Aquino will strive to repeat that in the Philippines by guaranteeing the country's millions of small farmers land tenure, access to credit and other vital inputs and, most important, a ready market for their produce, Mr Villegas said.

"The most urgent need is agrarian reform to improve the lot of Filipino farmers in some 80 percent of the country's cultivatable land.

"In coconut growing regions (about three million hectares), which affect the livelihoods of 18 million Filipinos, the farmers are the worst off among the rural poor.

"Seventy percent of the farms have an average size of three to five hectares, are not tenanted and their yield is less than one ton of copra per hectare.

"With very low productivity and extremely depressed prices for coconut in the world market, the typical farmer earns less than US\$25 a month, an amount much below the poverty line of US\$50 to \$75 for a family of six in the rural Philippines.

"Consequently 90 percent of households in predominantly coconut regions fall below the poverty line, compared to 70 percent of all Philippine households."

The Aquino Government has already made the first move by removing monopolistic forces that siphoned off billions of pesos from the coconut farmers, Mr Villegas pointed out.

And the lifting of the ban on copra export has already had a favorable impact on the price received by the coconut farmer.

"More still has to be done to assist the coconut farmer in supplementing his meagre income by intercropping his coconut farms with such lucrative crops as cacao, coffee, fruit trees, pineapple and cattle feed."

After the coconut farmers, the most difficult problem of land distribution is expected to be faced in the sugar-growing regions, especially in central Luzon, western Visayas, and northern and western Mindanao.

"Some large landed estates in the sugar industry will have to be broken up and redistributed to small farmers," Mr Villegas said.

However, some large farms and compact farms that have significantly increased productivity by adopting modern methods would be allowed to continue with large-scale sugar farming.

"Out of some 500,000 hectares of land planted to sugar, some 330,000 can be cut up into smaller lots and redistributed to the sugar workers."

Agrarian reform, it is hoped, will have the added effect of blunting the communist insurgency in rural areas, where disgruntled farmers have proved ready supporters of the New People's Army.

The Aquino Government is also mounting a major drive to boost exports in garments, semiconductors, and fresh and processed foods.

When is all this going to happen?

Mr Villegas tempered optimism with caution by saying the Philippines economy will turn around next year.

"Although the take-off will begin during the last quarter of the current year, the recovery will hardly change the relatively dismal picture for 1986 which will see a zero growth in GNP," he said.

But the no-growth scenario should prove a blessing in disguise, he added.

"It will help the Philippines economic managers to thoroughly consolidate their gains on all the strategic fronts identified by Finance Minister Jaime Ongpin in his address to the Asian Development Bank on April 30.

"A transition year is what is needed to guarantee the required conditions for economic stability--international reserves of at least US\$2 billion before the end of 1986, the foreign exchange rate staying at 20.50 to 21 pesos to the dollar, inflation rate at seven to eight percent, and interest rates at 15 to 18 percent.

"Once these targets are attained, our economic managers can be reasonably confident that future growth can be sustained at relatively high levels without triggering another round of hyper-inflation and maxi-devaluation...."

Mr Villegas predicted the Philippines economy will see GNP growing at about six percent next year after three years of zero or negative growth rates.

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CSO: 4200/1119

PHILIPPINES

BUSINESSMEN WAIT FOR GOVERNMENT DEVELOPMENT 'BLUEPRINT'

HK100628 Manila THE NEWS HERALD in English 8 Jun 86 pp 1, 6

[Article by Ely Lopez]

[Text] Deposed dictator Marcos did a very thorough job.

For two decades and with the strong support of his relatives and cronies, he patiently and systematically plundered the economy.

Thus, when President Cory Aquino was catapulted to power last February, she inherited an economy that was in total mess. It remains so after 100 days of her presidency.

No one expected her to do a miracle and turn the economy around in just over three months. No such miraculous formula exists.

Businessmen, however, appear to be completely disappointed. They are staying deep into the sidelines, opting to wait and see rather than lock in fresh funds for expansion for new activity.

After 100 days, there is still no concrete blueprint on what the government intends to do to improve the investment climate.

On the contrary, there have been pronouncements that have disgusted those with capital. The statements, for instance, Augusto 'Bobbie' Sanchez, the labor minister, on such sensitive issues as profit-sharing and board seats for workers have tended to lend credence to fears that the new regime does not know where it is headed for in the area of investments. [sentence as published]

Economic Planning Minister Solita Monsod should also share part of the blame for the scary investment atmosphere. Her open support for such radical policies as repudiation of debts has triggered suspicions that she would be an "unrealistic" economic planner.

A new six-year development plan is expected to be completed by late September or early October. Without such a gameplan, businessmen understandably are hesitant to make any move.

This early, however, businessmen are already beginning to believe that the Monsod plan is going to be very controversial.

Monsod is said to favor the substantive contents of a blueprint prepared by her friends from the University of the Philippines [UP]. Those who have read portions of the document say that it is a reliable formula on how to scare investors some more.

For instance, on banking reforms, the UP group is suggesting that banks should be required to disclose the names of their borrowers and the amount they borrow. Almost everyone knows that banking thrives on secrecy. If this time-honored tradition is scuttled, the direction of the proposed reforms in banking would surely be towards disaster.

The operations of the Presidential Commission on Good Government have also contributed a lot to the uncertainty that prevailed during the period.

The sequestration of private property suspected to be owned by Marcos or his cronies appeared to have rekindled memories of the early days of martial law under Marcos.

But believe it or not, the economy, as gauged through the so-called gross national product or the sum total of goods and services produced in a given period, rose for the first time after over two years during the first quarter.

The figure is something like 0.8 per cent, according to the National Economic and Development Authority although other government figures show that the GNP continued to retreat up to end of March.

The upturn was due largely to heavy spending for the Feb. 7 presidential elections. The figure for the second quarter which ends this month, is forecast to be on the downside.

There were a lot of developments though which seemed to have endeared the new government to the people--particularly the low income. These include the decline in petroleum prices, reduction in fares and power rates and the consequent slowdown in price movements.

The inflation rate was raging at over 60 per cent in late 1984, averaged 25 per cent for the whole of 1985 and from there slowed down to the single digit area up to end of March.

This is probably the single most important development in the economy as far as housewives are concerned, during the first 100 days of the new regime.

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CSO: 4200/1127

PHILIPPINES

MILITARY UNCOVERS LOYALISTS' DESTABILIZATION PLAN

HK060035 Quezon City BUSINESS DAY in English 5 Jun 86 p 24

[Text] A large-scale plan by some 20 Marcos loyalists organizations to cripple business establishments and industrial firms, which are supportive of the government of President Corazon C. Aquino, has been uncovered by the military.

Military sources said the labor sector of the Marcos loyalists intends to sabotage pro-Cory firms through work stoppages and strikes. They claimed that some of the ongoing strikes in Metro Manila and other key cities in the country could have been instigated by Marcos loyalists to destabilize the new government.

Military sources told BUSINESS DAY that 109 military men--both retired and still in the active service--have been tagged as the heads of the ongoing and planned loyalist activities.

Also 39 local politicians and 103 top civilian leaders--13 of whom are known personalities from the entertainment sector--are behind the sabotage scheme, they added. All in all, the sources said, 20 loyalist-based organizations are in varying degrees of involvement in the large-scale operation.

The sources claimed that most of the loyalist military men used to be officers of the defunct President Security Command (PSC) and the National Intelligence and Security Authority (NISA), both of which were under the command of former AFP [Armed Forces of the Philippines] Chief of Staff Gen Fabian Ver.

Among the activities being conducted by these loyalists, the sources said, is the operation of an armed loyalist training camp in Palawan in preparation for a counter-offensive in some key islands of the Visayas and Mindanao.

The sources noted that military reports indicated that the loyalist movement has escalated its activities in different areas of the country because of its expanding mass support and a fresh inflow of funds.

Part of these activities is to consolidate 10 million supporters who will be tapped for participation in mass actions aimed at ousting President Aquino from the government.

What worries the military is the reported increase in the armed capability or striking threat of the loyalists in some parts of the country. An alarming report, the sources said, is that former members of the ranger "Rainbow" division or "Sunday soldiers" under former Gen Benjamin Vallejo, are allegedly being mobilized by loyalist military elements in preparation for an armed confrontation with the New Armed Forces of the Philippines (NAFP).

The sources also revealed that a colonel, who is still in active service, was recently overheard as saying that he has at his disposal a fully-armed private army that could take over Malacanang Palace at the proper time.

There is also a report that a former PC [Philippine Constabulary] officer, allegedly the head of a group of 18 armed men believed to be loyalists and former bodyguards of past political personalities, are holed up in Paranaque with a cache of highpowered firearms.

The sources said the military is currently monitoring closely the activities of former and still active elements of the Armed Forces who are now working with the loyalists.

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CSO: 4200/1119

PHILIPPINES

LABOR OFFICIAL, SISON VIEWS ON MARCOS LOYALISTS CONTRASTED

HK040917 Quezon City ANG PAHAYAGANG MALAYA in English 25 May 86 p 4

[Editorial: "Two Views on Loyalists"]

[Text] There are contrasting views currently being ventilated about the threat posed by the so-called Marcos loyalists. The deputy labor minister, Pablito Sanidad, believes a Marcos comeback is a real threat that the Aquino government must contain. On the other hand, Jose Ma. Sison called it a "definable threat," citing the paucity in numbers of Ilocanos, led by the known warlords, who would be prepared to die for Marcos.

One thing stands out clearly, however, from the views expressed by the two gentlemen. And this is the fact that the Marcos loyalists seeking the return of Marcos constitute a threat.

Mr Sanidad is of the belief, expressed during a forum on warlordism and the threat of a Marcos return, that the greedy strongman "could easily land in the Ilocos region as the warlords and their arsenal of firearms remain intact." Smarting against their loss of control of the traditional tobacco industry, the local political kingpins are now fanning hatred against the government which, according to them, has neglected the region. And in view of the fact that most of those warlords have not yet been replaced, Mr Sanidad expressed fears of the possible harm they can do since "99 percent of the political apparatus in the Ilocos region during Marcos still exist [as published]."

The other side of the coin is not as grim a scenario as has been depicted. A realist to the core, Mr Sison sees the infinite number of the "better Ilocanos" who, if they unite against the loyalists, can thwart any chance for using the "Solid North" for a Marcos comeback. The region is composed of four provinces, namely Abra, La Union, Ilocos Norte and Ilocos Sur. They are the fiefdoms of politicians who might have been reincarnated from some 16th century ancestor, who had no concept of service, only of privilege and its abuse. Cut from the umbilical cord of their master who indulged their mercenary depredations, they will now raise all sorts of noises for the loss of their lien.

The threat posed by these pests is both apparent and real. But having no genuine and legitimate ground to sustain its originators' delusions, it is a high probability that it will fall by the wayside sooner than people expect.

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CSO: 4200/1119

PHILIPPINES

PAPER SKEPTICAL OF SOME CON-COM APPOINTEES

HK050135 Quezon City BUSINESS DAY in English 4 Jun 86 p 5

[Article by Teodoro Y. Montelibano]

[Text] The Constitutional Commission (Con-Com) convened Monday with dark clouds of skepticism cast on the process by which the 48 presidential appointees were selected to prepare a draft constitution which will be submitted for the people's ratification or rejection in a plebiscite in three months time.

For instance, Proclamation No. 9, which created the Con-Com provides, among other things, that the nominations to be submitted should include verified curriculum vitae of the nominee and certification by the nominee that he is willing to accept the appointment.

However, the fact that there were a number of nominees who declined seems to point to the fact that their nominations were not accompanied by the required certification.

On the other hand, BUSINESS DAY learned that there were nominees who failed to submit verified curriculum vitae but were appointed to the Con-Com anyway.

Among these were Manila prelate, Monsignor Teodoro Bacani and National Movement for Free Elections (Namfrel) national officer Teresa Nieva who was in the United States at the time that her nomination was submitted to the selection committee.

Sources say Nieva, while pleased, nevertheless expressed surprise when told she had been appointed to the Con-Com. "Apparently, she (Nieva) did not even know she had been nominated to the Commission," said one of Mrs Nieva's friends.

In another instance, Efrain Trenas and Yusoph Abubakar, who were both included in the list of appointees whose profiles appeared in newspapers before the Con-Com convened, had the notation, "no data available" written after their names.

If it were presumed that the source of the newspapers who printed the Con-Com delegates' profiles was the selection committee based in Malacanang to make certain that such information would be accurate and reliable, what were the bases for selecting Trenas and Abubakar and who set aside the provisions for Proclamation No. 9 in that instance, one source asked.

Many more questions are being raised concerning the selection procedures.

For example, another source wanted to know why, if the political opposition were to be allotted five seats in the Commission, were they not told during the period of submission and selection to nominate from their ranks so that they could have had ample time to search from among them those with "proven independence, probity, nationalism and patriotism?"

Still on the opposition, the same source was curious about the seemingly "special treatment" given to the political opposition, even after the deadline for submitting nominees to the Commission has passed.

He said: "Again, a provision of Proclamation No. 9 was set aside, since it implies that the five names submitted by the opposition would be automatically accepted."

That source also pointed out that the government could have made better choices than the members of the opposition. "Surely," he pointed out, "there are more than a thousand good and competent men who are better qualified than the political opposition members appointed who were all known to have staunchly hewed close to the Marcos line in the past regime and who were members of the Batasan ruling party condemned by President Aquino herself on the strongest terms when she issued her Freedom Constitution."

The same source also wondered if the President's apparent concession to the political opposition was influenced by pressure from the United States Government as gleaned from a story published by the WASHINGTON POST a day before she (Mrs Aquino) announced her choices for the Con-Com.

One other concerned citizen, Carlota Sison, wrote BUSINESS DAY to ask if the computer was used by the selection committee to identify a specific group or to match various factors to get a range that is truly representative of the various sectors and regions as previously announced.

"Looking at the list of appointees, it appears now that the computer was used to select a particular set of delegates and not as representatives of all sectors and regions as was hoped by millions of ordinary citizens like me," Sison said.

Sison ended her letter by wondering "how many more rules and laws will be broken in the 90 days of the Con-Com's life?"

Meanwhile, the Con-Com is being pressed for a definitive ruling on an earlier question raised by ex-senator Lorenzo Tanada and 500 other petitioners who doubt the qualifications of former Marcos Cabinet minister Blas Ople in being chosen to the to the Con-Com in the light of the Audit Commission's report that the former Bulacan assemblyman had misused public funds when he was minister of labor and employment in the past regime.

A petition seeking the ouster of Ople and other political opposition members who were members of the ruling party in the defunct Batasang Pambansa, namely,

Teodulo Natividad (former National Police Commission head from Bulacan), Regalado Maambong (Cebu) and Restituto de los Reyes (Laguna) from the Con-Com was filed during the opening session of the Commission last Monday.

According to the Nationalist Alliance for Justice, Freedom and Democracy (NAJFD, of which Tanada is a national official), the "Con-Com's response to the issue will reflect their interpretation of the standards set for probity, independence, nationalism and patriotism."

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CSO: 4200/1119

PHILIPPINES

PAPER LISTS MNLF LEADERS BELIEVED IN SABAH CAMP

HK031358 Manila MANILA BULLETIN in English 31 May 86 pp 1, 14

[Article by Roy Sinfuego]

[Text] The Moro National Liberation Front (MNLF) was reported to have set up a large guerrilla base on an island off Sandakan, Sabah, in preparation for a big offensive against government forces in Mindanao in August.

A BULLETIN source said several top-ranking MNLF field commanders who underwent rigid guerrilla training in Libya, were seen on the island proudly displaying their pictures with Libyan strongman Col Mu'ammarr al Qadhdhafi.

The MNLF camp, the source said, is heavily secured.

The island base is said to be a few kilometers away from Sandakan. Wooden camp houses have been built by the rebels. Armaments and supplies have been stored in the houses.

A large space of the camp is being used as an area for training MNLF combatants, the same source said.

The BULLETIN source said the Duchess of Kent Government Hospital in Sandakan is where fighters wounded in armed clashes with government forces in Jolo, Sulu, Tawi Tawi, and other areas in Mindanao are treated and confined.

MNLF rebel forces in Jolo, Basilan, and Tawi Tawi recently conducted attacks against government forces in Region 9. Military authorities in the area believe the rebel forces belong to a hardcore group under Nur Misuari who is for complete independence of Mindanao.

The top ranking MNLF commanders in the training camp, sources said, include Usman Sali, former vice mayor of Patikul, Sulu, who led the MNLF rebels responsible for the killing of Brig Gen Teodulo Bautista, commander of the First Infantry (Tabak) Division, several of his staff officers, and 30 other soldiers in 1977; Datu Noor Mohamad, who trained in Libya for one year and who has 1,000 men under his command; Datu Sakiruddin Bahjin, MNLF secretary-general; Yussof Abu Bakar, commander of the MNLF First Mobile Army of Palawan, Sulu, and Tawi Tawi; and Hadji Abdul Rahman, alias Capt Sema, former police captain of Cotabato City.

The claim of Dimas Pundatu and Macapanton Y. Abbas Jr that they were representing the Bangsa Moro people has triggered serious factional rivalry and tension among the Muslims in Mindanao and Sandakan, the source disclosed.

A senior MNLF official said a bloodbath involving groups of MNLF rebels was narrowly averted in Sandakan recently. The groups were those of the factions of Abbas-Pundatu, Misuari, and Hashim Salamat.

Abbas and his group, who are for autonomy, arrived last April and conducted dialogues with other MNLF rebel leaders in Mindanao in an effort to unite the MNLF rebels.

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CSO: 4200/1119

27 June 1986

PHILIPPINES

EDITORIAL VIEWS CEASE-FIRE PROSPECTS

HK091551 Manila MANILA BULLETIN in English 8 Jun 86 p 6

[Editorial]

[Text] The principal merit of a ceasefire of, say, six months is that it will show the parties the difference between peace and conflict.

On the part of the rebels, there will be a marked difference between the life of the hunted and that of a man who can move around freely. To be able to move around in freedom may demonstrate the futility of being in continual conflict with the government.

On the part of the government, a ceasefire will enable it to focus attention on the economic problem and to save the money that would otherwise have gone to the insurgency problem.

If one were to make a study of the possible outcomes of a ceasefire, maybe he would arrive at the conclusion that it would be beneficial to everybody.

One of the stumbling blocks to a ceasefire is the possible lack of good faith among the parties or their representatives. If the ceasefire were viewed merely as a means to promote the cause of the conflict, there would be no agreement even if it is clear that the parties have suffered much during the years of strife.

Another possible difficulty is the authority of the Communist Party of the Philippines to represent all the insurgents. Does that party control the insurgents in all the regions or just a fraction of them?

In considering the success of the negotiations for a ceasefire, it should be kept in mind that there is a difference between such negotiations and those for a final modus vivendi. A ceasefire is self-explanatory. It means a temporary stop to the fighting. Negotiations do not necessarily include the final settlement of the dispute.

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PHILIPPINES

DOLLAR RING SUSPECTS STILL IN 'SENSITIVE' AFP POSTS

HK041455 Quezon City BUSINESS DAY in English 4 Jun 86 p 21

[Text] At least 150 highranking military officers and personnel involved in the dollar blackmarketing and salting operations of the so-called Binondo Central Bank, continue to hold sensitive posts within the New Armed Forces of the Philippines (NAFP), informed military sources claimed.

Sources said the NAFP anti-graft and corrupt practices board tasked with looking into the hidden wealth of military officers and men identified these officers and men, but would not want their identities revealed at this stage of the investigation.

The probe body earlier charged that former AFP chief of staff, Gen Fabian Ver and former legal officer of the defunct Presidential Security Command (PSC), Col Balbino Diego, were leaders of the alleged dollarsmuggling syndicate.

A number of officers who, at one time or another, were involved in the operation are still "on the loose," they said. Most of these officers are now being investigated by the military anti-graft body on the basis of a payroll roster identifying the people involved in the dollar ring and the amounts they earned for their services.

The military probe body claimed that the Ver-Diego syndicate started with Operation Sunflower, which was later expanded into Task Force Luntian, and renamed Task Force Pagasa. This task force is believed to be responsible for the control of all illicit foreign exchange deals in Binondo, which was later expanded into a nationwide operation. Probers claimed the Ver-Diego syndicate leaders netted an average of \$7 million daily.

The take for military officials involved in the operation was understandably larger. Highlevel officers (e.g. generals, colonels, majors) received P112,500 each a month; PSC personnel, P81,000 each a month; CIS personnel, P74,500 each a month; and "Paraiso" personnel, P27,900 each a month, the sources claimed.

Despite the security precautions undertaken by the syndicate, however, several hold-ups marred their operations particularly during the transport staging of the merchandise. The first one allegedly involved a close relative of Fe

Gimenez, the social secretary of former First Lady Imelda Marcos. The hold-up victim later claimed that he was divested of \$360,000 owned by the Ver-Diego group sometime in June 1983.

The probers claimed that the second hold-up victim was another alleged courier--former MP Arturo Pacificador lost \$510,000 which was allegedly entrusted to him by the syndicate, while he was on his way to the Manila International Airport.

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CSO: 4200/1119

PHILIPPINES

FOREIGN EXCHANGE RESERVES RISE TO \$1.69 BILLION

HK051451 Manila MANILA BULLETIN in English 5 Jun 86 p 15

[Text] The country's foreign exchange reserves have increased by 85 percent from \$911 million at the end of February this year to \$1.69 billion as of late last month, Finance Minister Jaime V. Ongpin said in a report to President Aquino on the finance ministry's accomplishments during the first 100 days.

He also said that the peso-dollar exchange rate has strengthened and stabilized at P20.50 to \$1 from P22 to a dollar before the February peaceful revolution.

The parallel or black market rate, he also said, has strengthened sharply from over P25 to a dollar before the revolution to the current rate of P21 to \$1.

Ongpin said the sharp increase in the country's foreign exchange reserves and the strengthening and stabilization of the exchange rate are the most accurate barometers of domestic and international confidence in the new government.

The inflation rate which averaged 50 percent in 1984 and 23 percent in 1985 has gone down substantially to 3.3 percent for the first four months of the year. The annualized inflation rate last April went down further to 2.1 percent.

While the improvements in the inflation rates were attained despite the excessive election spending and high interest rates early this year, they also contributed to the depressed level of demand in the economy and the impact on fuel price reductions and the lower palay prices during the first quarter of the year.

Ongpin also reported that the government obtained a total of \$525 million in fresh loans from different foreign sources during the last 100 days.

Among these loans, he said, are a \$100 million emergency loan from the Asian Development Bank that will provide counterpart peso funds to the government for [word indistinct] completion of various infrastructure and other development projects.

The government, he also said, got World Bank approval for the accelerated disbursement of the \$79 million second tranche of the bank's agricultural inputs

loan and the \$105 million unutilized portion from the commodity loan component of the 12th yen credit from Japan.

The country was also able to get additional loans of \$69 million from the World Bank for the rehabilitation and expansion of the water distribution network of the Metropolitan Waterworks and Sewerage Systems.

An \$82 million loan, also from the World Bank, was obtained for the second rural road project to construct and upgrade roads throughout the countryside.

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CSO: 4200/1119

PHILIPPINES

ECONOMIST PREDICTS 6-8 PERCENT GROWTH RATE

HK100824 Hong Kong AFP in English 0755 GMT 10 Jun 86

[Text] Manila, Jun 10 (AFP)--The Philippine economy will expand by six to eight per cent for at least three years after posting zero growth in 1986, a prominent Filipino economist said here Tuesday.

Bernardo Villegas, one of 48 members of a commission drafting a new constitution, based his bullishness on the economy, which declined sharply in the past two years, on President Corazon Aquino's leadership and free-market policies.

"We can grow at least at six per cent per annum in our gross national product" from 1987-89, he told the foreign correspondents association here.

"I'm being conservative, it could be eight per cent," said Mr. Villegas, senior vice president and chief economist of Manila's premiere economic think tank, the Center of Research and Communication.

But he dismissed official forecasts of up to two per cent growth this year, saying the economy had contracted by two to three per cent since the beginning of the financial year January 1.

He likened Mrs. Aquino to Deng Xiaoping after he took over China, whose economy grew sharply after the government concentrated on food production for the local market.

Mrs. Aquino's economic plan emphasizes agriculture as the key to ending economic declines generally estimated at five per cent each in 1984 and 1985.

Mr. Villegas said the groundwork had been laid with Mrs. Aquino's removal of trade monopolies in the vital coconut, sugar and grains sectors set up during the 20-year rule of President Ferdinand Marcos, who was deposed in February.

He opposed what he said was the International Monetary Fund's (IMF) prodding that the Philippines imitate export-oriented programs of Taiwan and South Korea, and backed Manila's determination to first develop the domestic market.

He said the IMF and other foreign creditors were likely to approve a request for stretching the repayment period of part of the 27 billion dollar foreign debt, and converting some commercial loans into equity in local firms.

Mr. Villegas predicted that the Philippine peso, which has held firm at 20.5 to the U.S. dollar the past three months, would depreciate only by eight per cent annually in the next three years, while interest rates would stay at 14 to 16 per cent compared to 30-35 per cent in the previous 18 months.

Mr. Villegas said the threats to political stability were communist guerrillas, Moslem separatists, Marcos "loyalists," and communist infiltration of labor unions, but said all but the last would surely diminish shortly.

He said Mrs. Aquino, a political neophyte, had a "very sharp political instinct" and that apparently discordant voices in her cabinet were a sign of strength since "she doesn't want yes men and yes women."

He said he had talked with top military officials and was convinced that the military, whose mutiny toppled Mr. Marcos, would stay out of politics.

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CSO: 4200/1127

PHILIPPINES

FEB-MAR 86 FOREIGN INVESTMENTS DROP 44 PERCENT

HK041517 Quezon City BUSINESS DAY in English 4 Jun 86 p 2

[Article from the "Economic Indicator" column: "Foreign Investments Drop 44 Percent"]

[Text] Foreign investments in new and existing corporations dropped 44.12 percent in the first quarter compared to the year-ago level.

Data from the Securities and Exchange Commission (SEC) showed that foreign equity in domestic companies for the first three months of 1986 amounted to P93.6 million. This was P73.9 million less than last year's first quarter total of P167.5 million.

The slump was due to the slowdown in the inflow of foreign capital in February and March. During those months, major changes in the government were taking place and a general mood of uncertainty prevailed regarding political and economic policies.

The amount of foreign investments in February, for example, plunged from a high of P70.4 million in January to P2.4 million, the lowest registered since 1980. By March, when a semblance of stability was achieved, foreign investments in local companies grew to P20.7 million. This, however, was still some five times less than the foreign investments in March last year.

The number of new companies with foreign equity also decreased in the first quarter. From 156 in the first quarter of 1985, it dropped to 107 this year.

The number of existing companies which received additional equity, on the other hand, showed a slight increase from 20 in 1985 to 22 this year.

While more existing companies received additional equity this year, the amount of new capital they received was only half of what existing companies received in the first quarter last year.

FOREIGN INVESTMENTS IN NEW AND EXISTING CORPORATIONS
(Amount in P000)
January to March 1986 and 1985

1986				1985	
Total Foreign Equity in Domestic Corporations	No. of New Cos.	Initial Paid-up	No. of Existing Cos.	Increases in Paid-up	Total Foreign Equity in Domestic Corporations
January	45	6,333	9	64,148	6,382
February	30	907	4	1,538	60,496
March	32	4,392	9	16,319	100,689
TOTAL	107	11,632	22	82,005	167,567

1985				1984	
No. of new Companies	Initial Paid-up (P1000)	No. of Existing Cos.	Increases in Paid-up	Total Foreign Equity in Domestic Corporations	Total Foreign Equity in Domestic Corporations
January	44	4,649	5	1,733	1,733
February	55	7,164	9	53,332	53,332
March	57	4,967	6	95,722	95,722
TOTAL	156	16,780	20	150,787	150,787

Source: Securities and Exchange Commission

PHILIPPINES

MINISTERS DISCUSS BINONDO BANK STATUS

HK091553 Manila MANILA BULLETIN in English 8 Jun 86 p 25

[Text] The once controversial "Binondo Central Bank," the scheme used by the deposed Marcos government in containing abnormal peso-dollar speculations and black marketing shortly before the latter's downfall, is unwanted in the Aquino government.

Finance Minister Jaime V. Ongpin said that the Binondo CB [Central Bank] has not been turned over to the Finance Ministry and he does not want to have anything to do with it in case it is revived.

Trade and Industry Minister Jose Concepcion earlier said that the Binondo CB has been turned over to the Finance Ministry.

But Ongpin said that no such turn over has taken place.

The finance chief said that the Binondo CB has already been dismantled.

If it is revived, it won't be [by] me," Ongpin said when asked about his position in case of a possible revival of the scheme.

He pointed out that there is no justification right now for maintaining the Binondo CB because the peso's value against that of the U.S. dollar is very stable and there is hardly any speculation in the blackmarket.

The Binondo CB was set up early in 1984 by the finance chief's elder brother, former trade and industry minister Roberto V. Ongpin who is now doing consultancy services for foreign investors who want to invest in the country.

It was set up primarily to arrest the deterioration of the peso's value against that of the dollar which was triggered by the abnormal political and economic conditions during the last two years of the Marcos regime.

The deposed Marcos government, with the help of the military, dictated the peso-dollar movements in the black market by directly dealing with big-time dollar speculators in the black market.

Without the efforts of the Binondo CB, the peso's value against that of the dollar could have deteriorated to as much as \$30 to P1 or even more because many people wanted to exchange their pesos for dollars, the elder Ongpin recently said as he defended the Binondo CB.

The status of the Binondo CB after the Marcos government was toppled by a peaceful revolution last February had been uncertain.

Earlier reports said the machinery of the Binondo CB which once operated nation-wide was still intact pending decision by the new government on what to do with it.

The younger Ongpin said the Presidential Task Force on Dollar Salting may be integrated with the Central Bank Intelligence Unit.

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CSO: 4200/1127

PHILIPPINES

MONETARY BOARD DEREGULATES 437 IMPORTED ITEMS

HK100554 Manila THE NEWS HERALD in English 8 Jun 86 p 8

[Text] The Monetary Board allowed Friday the importation of 437 products without prior approval by Central Bank [CB] and the Board of Investments [BOI].

A CB press statement issued yesterday said the deregulation was part of the government's import liberalization program designed to spur local industries to be more competitive.

Most, if not all of the 437 products now allowed to enter the country without prior BOI approval are already produced in the Philippines.

With the relaxation of the import rules on these items, foreign products will now be able to compete effectively with domestic products in terms of prices and quality.

Many businessmen fear that on the contrary, they may be driven out of business once the import liberalization program comes into full force.

Included in the list of 437 items are products such as chickens, pigs, rice, vegetables, fruits, woodcrafts, towels and other textiles, building materials and glass articles.

Household utensils, lamps, hats, paper and guitars are also in the list.

Fruits not grown in the Philippines, such as oranges, lemons, grapefruit, apricots, prunes and cherries are also included in the liberalized list.

To implement the board's decision, the CB issued Circular No 1105, dated June 6, which amended pertinent divisions of sections 5 and 8 of Circular No 1029 (dated Oct 12, 1984), requiring authorization by certain government agencies prior to importation of regular commodities.

The CG indicated that with this deregulation, commercial banks may henceforth open import letters of credit without prior clearances previously required for the 437 items.

The list of 437 items was drawn up in consultation with various industry sectoral task forces and the Philippine Chamber of Commerce and Industry, taking into account the requirements of existing domestic substitutes, and the need to perk up activity in certain industrial sectors such as the agro-industries, the packaging industry, the handicraft industries and the construction industry, the CB said.

It said that all authorized agents banks are required to submit directly to the current imports and commodity classification office (CICCO) of the CB a weekly report of letters of credit opened/documents against acceptance-open account availments [as published] covering importations under annex A, which lists items previously requiring the prior approval of the Board of Investments for their importation.

The report is to be submitted every Tuesday following the transaction week.

Meanwhile, the requirement of the World Bank and International Monetary Fund for a full implementation of the import liberalization program was strongly opposed by Trade and Industry Minister Jose Concepcion.

He branded the idea as "unfair," for some industrialized countries like the United States, Japan and European countries impose restrictions and huge amounts of subsidies on their exports.

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CSO: 4200/1127

27 June 1986

PHILIPPINES

ECONOMIC RECOVERY PROGRAM RECEIVES 'MIXED REVIEWS'

HK050900 Hong Kong AFP in English 0850 GMT 5 Jun 86

[Article by Roberto Coloma]

[Text] Manila, June 5 (AFP)--Businessmen, economists and politicians gave mixed reviews Thursday to President Corazon Aquino's agriculture-oriented economic recovery program.

The program, formally approved by the cabinet Wednesday, is designed to restore economic growth after 2 years of steep decline under deposed strongman Ferdinand Marcos, who left behind a foreign debt now set at \$27 billion.

The Aquino government hopes to achieve 1.5 percent growth this year, compared to declines of at least 5 percent in 1984 and 1985.

"The program is sound...but the economy is not yet moving," said economist Jay David, a member of the forecasting unit of the Center for Research and Communication (CRC), Manila's premiere economic think-tank.

Businessmen say the main ingredient of the Aquino program is hope. "The big difference is that during the Marcos period, there was absolutely no hope," said Felix Maramba, past president of the Philippine Chamber and Commerce Inc (PCCI).

Now, "everybody is hopeful that in the long or even in the medium term, the economic recovery of the country will take place," he added.

Mr Maramba conceded that foreign and local businessmen still seem to have a "wait-and-see attitude." But he said this was due to a lack of demand, which he said was being addressed with new jobs and opportunities in the rural sector, where 70 percent of the Philippine population live.

However, opposition leader and veteran politician Blas Ople said in an interview that industry might suffer from an over-emphasis on agriculture.

"(The program) follows the main thrust of the previous administration...it seems to me that this is not the ideal path," he said.

There was a "tendency to disparage the potentials" of manufacturing industries, he said, adding, "we are in danger of reverting to an agrarian policy whose multiplier effect on economic development is limited."

Local and foreign business chambers have yet to issue formal statements on the new program.

Meanwhile, there is a consensus that continued labor unrest and efforts to recover the allegedly ill-gotten wealth of the Marcos family and its associates would harm whatever merits the new program might have.

Miss David said the Aquino government should take a firmer stand on labor militance, which she said was scaring away much needed investments.

Mr Maramba said it was safe to assume that 80 percent of the firms still stable today were in one way or another "either favored by Marcos or his cronies" and that the threat of sequestration was a "sword of Damocles" which prevented them from expanding their business.

The PCCI has aired reservations on some aspects of the program, which was released for public scrutiny last month.

The program's sponsor, Minister of Economic Planning Solita Monsod, said the plan--put together from reports of study groups that included officials, businessmen and economists--was intact when it was passed by the cabinet.

While the CRC hailed trade liberalization because it would lessen production costs, spokeswoman Carmencita Arce said PCCI has expressed concern that its full and immediate implementation would crush local industries rendered frail by the economic crisis since 1983.

PCCI industries should at least be allowed to attain their 1983 levels, given findings that most plants now operate at only 30 to 50 percent of their capacities 3 years ago, and that tariffs for raw material imports be lower than those for finished products.

Opposition leader Mr Ople said the civil service which will implement the program was "demoralized" by the "abolition of security of tenure," and Mrs Aquino should take steps soon to correct this.

"No matter how alluring some of these visions they offer on paper might be, if the bureaucracy is incapable of implementing them they remain just that."

The CRC takes a more reserved position in terms of results, saying all the economy can expect this year was a minus 0.1 to a positive 0.5 growth.

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CSO: 4200/1119

PHILIPPINES

AGRICULTURAL OUTPUT VALUE RISES 2.3 PERCENT

HK051547 Quezon City BUSINESS DAY in English 5 Jun 86 p 11

[Article from the "Economic Indicator" column: "Agricultural GVA Rises"]

[Text] The gross value added (GVA) of the agricultural sector, at constant 1972 prices, reached P26,010 million, National Economic and Development Authority (NEDA) estimates as of April 1986 showed. This reflected a 2.37 percent rise from the previous year's figure of P25,409 million.

The higher output of the agricultural sector resulted from production increases posted by the agricultural crops and fishery subsectors, which accounted for \$20,614 million or 79.25 percent of the total GVA for the sector. These made up for the reduction in long production (7.71 percent), livestock (2.22 percent) and poultry (0.50 percent).

Last year, production of agricultural crops amounted to P16,192 million, 4.04 percent more than 1984's P15,564 million. The fishery subsector, on the other hand, increased its output by 2.15 percent to P4,422 million from P4,329 million in 1984.

Gross value added measures the contribution of a particular sector to the country's gross national product (GNP). It is computed by subtracting the cost of production inputs from the gross output of a particular industry. The GVA at constant prices is measured in real terms and computed based on the prices of the base year.

GROSS VALUE ADDING IN AGRICULTURE#
1981 - 1985
(in million pesos at constant 1972 prices)

Year	Subsector Gross Value Added					
	Agriculture Sector	Agricultural Crops	Livestock	Poultry	Fishery	Forestry
1981	24,608	15,418	1,925	1,958	4,132	1,179
1982	25,368	15,932	2,007	2,192	4,254	983
1983	24,845	15,968	2,170	2,481	4,407	819
1984	25,409	15,564	2,162	2,589	4,329	765
1985	26,010	16,192	2,114	2,576	4,422	706

#estimates as of April 1986

Source: National Economic and Development Authority (NEDA)

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CSO: 4200/1119

PHILIPPINES

BRIEFS

MILITARY PERSONNEL ACCOMPANYING MARCOS--Manila, [words indistinct] (PNA)--Thirty-eight of the 42 military personnel who fled with deposed President Marcos to Hawaii last February have been dropped from the rolls effective May 26, according to Armed Forces Chief Gen Fidel V. Ramos. Ramos said only four officers have returned to the country and are now back to their respective units. The officers and enlisted personnel who opted not to return to the Philippines were considered retired or separated from the service effective May 26, he said. Exactly 298 officers and enlisted personnel who were members of the defunct Presidential Security Command (PSC) and National Intelligence and Security Authority (NISA) remained unaccounted for. Among them are three sons of former Armed Forces Chief of Staff Gen Fabian C. Ver, namely, Irwin, Wurlo and Rexor. Irwin was number one in his class when he graduated from the Philippine Military Academy (PMA) in 1970. He has not returned to the Philippines since he fled last February with Marcos and his father aboard a U.S. Air Force helicopter. Ramos said of the 18 officers assigned with the PSC and NISA but were detailed to foreign assignments as military attache, only 1 has returned and reported back from duty. He is Maj Rodolfo Tor, former trade attache in Saudi Arabia. [Text] [Manila PNA in English 0341 GMT 3 Jun 86 BK] /12766

AQUINO TO KEEP POWERS IF BASIC LAW REJECTED--Manila, June 1 (AFP)--President Corazon Aquino will keep her law-making powers if Filipinos reject a new constitution about to be drafted, the PHILIPPINE NEWS AGENCY (PNA) Sunday quoted the justice minister as saying. Justice Minister Neptali Gonzales also told a forum of educators in the northern city of Baguio Friday that Mrs Aquino would appoint another commission if the current 50-member panel's work were rejected by a plebiscite, the official PNA said. The commission is to convene on Monday and is expected to finish its work in 3 months, ending a transition period in which Mrs Aquino enjoys sole law-making powers under a transitional "freedom constitution." The government would continue to operate under that charter if the constitution drafted by the commission were rejected by the people, Mr Gonzales reportedly said. Mr Gonzales defended the selection of the constitution commission members by Mrs Aquino, saying there was nothing in constitutional and democratic practice that required a constitution to be drafted by an elected body as some opposition figures contended. A simple majority of registered voters will be needed to ratify the constitution in a plebiscite. [Text] [Hong Kong AFP in English 1234 GMT 1 Jun 86 BK]/12766

GUNMEN KILL RELIGIOUS CULT LEADER--Manila, June 3 (AFP)--Gunmen have killed the leader of an amulet-wearing Christian cult whose members claim to be impervious to bullets, the official PHILIPPINE NEWS AGENCY (PNA) reported here Tuesday. Cult leader Felicisimo Lingaw-Lingaw was killed Monday along with two members in an attack by nine unidentified men, who were in their 20's and armed with .45 caliber pistols, in the central town of Talisay, PNA said. A daughter of the 60-year-old Mr Lingaw-Lingaw said the two cult members died instantly but her father was still alive despite his bullet wounds until the gunmen took off his amulet and fired more shots into him, the agency added. Their cult Sagrado Corazon Senor--whose name is derived from the sacred heart concept in the country's dominant religion, Roman Catholicism--includes the belief that certain rituals can render a member safe from bullets, PNA said. [Text] [Hong Kong AFP in English 0726 GMT 3 Jun 86 HK]/12766

REBEL ATTACKS KILL 17--Manila, June 4 (AFP)--Seventeen people were killed and an unknown number of civilians wounded as suspected Moslem guerrillas launched simultaneous attacks in a southern town, the PHILIPPINE NEWS AGENCY (PNA) reported Wednesday. A suspected splinter group of the separatist Moro National Liberation Front Tuesday staged simultaneous attacks on two government militia detachments near Alabel and Malapatan towns, 1,025 kilometers (615 miles) south of here, PNA said. Seven militiamen were killed and three others wounded as the rebels overran a militia detachment near Alabel, then fired on a nearby village, wounding an unknown number of residents, the state-run agency said. Another suspected Moslem band attacked another militia outpost near Malapatan but were repulsed by militiamen, killing 10 insurgents, it added. The attacks caused the evacuation of residents of the two communities who were now temporarily relocated to the town centers, PNA said. Military spokesmen here could not be reached for comment. [Text] [Hong Kong AFP in English 1506 GMT 4 Jun 86 HK]/12766

ACCOUNTS UNDER MARCOS ALIAS--The Swiss Government has frozen \$1.5 billion bank accounts under the names of William Sander and Jane Ilagan. Jose Lauchengco, Philippine Envoy in Los Angeles, claimed the names were aliases of former President Marcos and former First Lady Imelda Marcos. According to Lauchengco, the bank accounts will be frozen until investigations are concluded. [passage indistinct] [Text] [Quezon City Radyo ng Bayan in Tagalog 0400 GMT 11 Jun 86 HK]/12766

CSO: 4211/59

THAILAND

DEMOCRAT CAMPAIGN RALLY SEEKS SUPPORT FOR PREM

BK260601 Bangkok BANGKOK POST in English 26 May 86 p 3

[Text] Krabi--The Democrat Party kicked off its first campaign rally here on Saturday with the slogan "Support Prime Minister Prem, Vote for the Democrats."

Addressing about 3,000 people in a boxing stadium, Surat Thai MP Suthep Thuaksuban, a member of the party's executive board, said Gen Prem Tinsulanon was the only minister who "has the guts to poke his nose into the affairs of commercial banks" by introducing the banking decrees.

Because commercial banks have made themselves available for the benefit of a small group of people, Mr Suthep said it was necessary for the Government to institute the decrees to monitor their activities "otherwise our economy will collapse."

Mr Suthep cited the Asia Trust Bank, which had serious problems when huge loans were extended to relatives of some board directors, prompting the Government to intervene and put its men in charge.

The Democrat MP said that when the decrees were enacted, certain bankers in collaboration with some military officers moved to topple the Government by dumping a lot of money to influence voting in Parliament.

Drawing sporadic applause from the audience, Mr Suthep said the opposition would never have been able to overthrow the Government in Parliament without the support of defectors.

He alleged that vote-buyers paid 50,000 baht for government, MPS who did not attend the parliamentary meeting on May 1 when the crucial vote was taken and 100,000 baht for the MPS who attended but abstained.

Mr Suthep lashed out at the government MPS who allowed themselves to be bought and sniped at a Democrat MP who defected to the opposition.

The defection by government MPS as a result of vote-buying prompted the Prime Minister to dissolve Parliament instead of resigning, "which would have been a big mistake," said Suthep.

The Surat Thani MP asked the people in this province to vote for the Democrat Party if they still support Gen Prem.

Another key party member, Thawin Phraison, said the Democrats would support Gen Prem for prime minister "if the party does not have a majority in the House of Representatives."

Deputy leader Gen Han Linanon criticised a certain high-ranking army officer for creating confusion in the country by claiming he had done so for the sake of the military.

Without mentioning any names, he criticised the establishment of an election centre to monitor the polls.

General Han also urged General Prem to run in the upcoming election.

The province had two MPs: Akhom Kengchuan, a Democrat, and Watsana Bunphupantanti of the Social Action Party, who recently defected to the United Democratic Party.

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CSO: 4200/1103

THAILAND

REPORTAGE ON GENERAL ATHIT FREELECTION MOVES

Not To Run in Election

BK271136 Hong Kong AFP in English 1122 GMT 27 May 86

[Article by Michael Adler]

[Text] Bangkok, May 27 (AFP)—Prime Minister Prem Tinsulanon sacked General Athit Kamlang-ek from his powerful post as Army commander-in-chief Tuesday, while a government spokesman stressed the need to keep the Army out of politics with elections 2 months off.

Gen Athit and Mr Prem, who has military backing of his own as defense minister and a former Army commander-in-chief, are viewed as the main rivals for the premiership in the government to be formed after the vote.

Army Chief of Staff General Chawalit Yongchaiyut, considered a firm backer of the prime minister, was appointed to succeed Gen Athit, who retained the largely symbolic post of Armed Forces supreme commander, which does not involve direct control over troops.

No official reason was given for the move, but government spokesman Trairong Suwannakiri said: "This will enable the elections to take place normally because Chawalit is going to keep the Army out of politics." Voting is scheduled for July 27.

Gen Chawalit told reporters Tuesday: "I don't want any outside power to exert an unjustified influence on the elections. ...I do not want the Army to meddle with politics."

Both Gen Chawalit and () denied rumors of military unrest in the wake of the shift, and an Army spokesman told AGENCE FRANCE-PRESSE that rumored tank movements in Bangkok were a convoy of armored cars on twice-a-month troop rotations for the Bangkok peacekeeping force.

Gen Athit, who flew back to the capital from southern Thailand Tuesday, said his replacement as commander-in-chief "did not concern the forthcoming elections."

He said he would not run in the poll since "I am still the supreme military commander and my duty is to preserve the security of the country."

The new commander met Gen Athit when he arrived at Bangkok's Don Muang Tuesday, greeting him with the joined hands gesture of respect known as the wai. Gen Athit responded with an embrace and said: "We work together."

Gen Athit had been scheduled to give up both posts on August 31. After extending Gen Athit once when he reached the mandatory military retirement age of 60 last August, Mr Prem refused to extend the general again.

The government spokesman said "most of the military" backed the change.

It looked likely that a stand-off between Gen Athit and Mr Prem was reaching a climax, analysts said.

In recent weeks both men have received well-publicized visits from various Army factions that observers said were intended to show the strength of each man's support.

Political commentators have said a vote of no-confidence in parliament May 1 that led to the body's dissolution and the calling of elections was due to behind-the-scenes maneuvering by Gen Athit, an allegation he denied.

Commentators also saw Gen Athit's hand in a wave of pre-election defections from the Social Action Party (SAP), the main component in Mr Prem's four-party ruling coalition. They said the new United Democratic Party (UDP) was designed to support Gen Athit.

Mr Prem's latest move may prove to have been a political masterstroke since it deprived Gen Athit of his power base just when he needed it most, one analyst said.

A senior Army officer said the move was an especially severe "slap in the face" following Mr Prem's refusal to extend the general's term.

It was the latest in a series of confrontations between the two.

In 1983, Mr Prem's previous government blocked moves by the Army to increase military influence by allowing soldiers to hold elected office.

In November, Gen Athit spoke on national television against an almost 20 per cent devaluation of the national currency, the baht, that month by the Prem government.

But Gen Athit's complaints were seen as unnecessary interference by the military in civilian affairs.

Athit Reportedly Reconsidering Decision

BK310247 Bangkok BANGKOK POST in English 31 May 86 p 1

[Text] Supreme Commander Gen Athit Kamlang-ek is reportedly reconsidering his decision to abandon politics after a recent meeting with the leadership of the United Democratic Party.

The UDP has sought support from Gen Athit for the upcoming elections, informed UDP sources told the BANGKOK POST yesterday.

Gen Athit reportedly agreed to continue his support for the party, the sources said.

Party leader Buntheng Thongsawat said the UDP leadership went to give moral support to Gen Athit, who was relieved of the powerful Army commander-in-chief post last Tuesday.

The sources said the UDP leadership was uncertain of continued support from Gen Athit following his dismissal.

The POST yesterday quoted a close friend of Gen Athit as saying that the general had lost interest in politics and would leave for Hawaii to visit his daughter after he transferred his duties to the new Army chief, Gen Chawalit Yongchaiyut.

The UDP leaders who met Gen Athit at his home yesterday included Mr Buntheng, party secretary-general Tamchai Khamphato, deputy leader Col Narong Kittikachon and party adviser Col Phon Ruangprasoetwit.

The sources said the UDP leaders wanted to have Gen Athit's assurance of his continued backing for the party for fear that it would disintegrate without his support.

Mr Buntheng confirmed to the POST yesterday the meeting with Gen Athit, but said it was "personal" in nature.

The UDP leader claimed that his party had become a target of attack by certain people "who were spreading rumors to cause internal rifts in the party so as to weaken it."

"We are a major party and have enemies who want to make our party smaller," he said.

Mr Buntheng denied that his party belonged to either Gen Athit or former Social Action Party leader M.R. Khukrit Promot. "Ours is a party with Buntheng as its leader," he maintained.

The UDP will announce its list of candidates by June 5, Mr Buntheng said. He also claimed Gen Kriangsak Chamanan's National Democratic Party might join forces with the UDP, saying negotiations were under way to bring about a merger.

The UDP has reportedly decided to approach former deputy Army commander-in-chief Gen Chuthai Saengthawip to run for the party in the military-dominated Dusit constituency. Gen Chuthai was transferred to an inactive post as Army inspector-general by the same order which relieved Gen Athit of the top Army post.

In another military-dominated constituency of Bangkhen, the UDP will be represented by former National Housing Authority Governor Lt-Gen Yutthasak Khlongtruatrok and another retired general, Mr Buntheng revealed.

Lt-Gen Yutthasak was also appointed to direct the UDP election campaign in Bangkok.

Meanwhile, sources told the POST that a party leader whose political future "is in question" had called on Gen Athit to seek the general's support for his candidacy in the Dusit constituency.

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CSO: 4200/1103

THAILAND

PREELECTION DEFECTIONS, JOCKEYING, REACTIONS CONTINUE

New Force Party Not To Field Candidates

BK060213 Bangkok THE NATION in English 6 Jun 86 pp 1, 2

[Text] The New Force Party decided yesterday to give up its plan to field candidates in the upcoming election due to financial constraints to meet the legal minimum of 174 candidates, prompting several of the party's candidates to switch to Community Action Party (CAP), THE NATION learned last night.

Well-known singer Suthep Wongkhamhaeng and Social Democrat leader Khlaeo Norapati have decided to join CAP, running respectively in Khorat and Khon Kaen provinces.

CAP leader Bunchu Rotchanasathianb said that several promising New Force members will join his party. Prasit Narongdet, the chief adviser for CAP, said: "We are quite proud of the quality of our candidates and are confident that we will emerge from the election reasonably strong."

Prasit, a former SAP [Social Action Party] Ubon Ratchathani MP, said he himself will not run in the upcoming election. "I prefer to play the supporting role for the party," he said.

Bunchu confirmed that he will stand in Nakhon Sawan in the election.

Khlaeo said he would announce his decision today.

He admitted that his Social Democrat members have defected to CAP and the Progressive Party.

Bunchu also said that former Social Action Party MP Charat Phuachuai will run in Petchabun, while Seni Madakakun, another SAP defector, will stand in Narathiwat while Watsana Phuphantanti will contest in Krabi.

Prayun Suraniwong, formerly with the New Force before joining the National Democracy Party, yesterday decided to join CAP to run in Udon Thani Province as well.

Prasit had tried in vain for weeks after the May 1 House dissolution to merge CAP and New Force. One suggestion at the time was that Bunchu take over

leadership of New Force while dissolving CAP. But both sides couldn't agree on a compromise.

The New Force Party met yesterday under the chairmanship of party leader Prasan Tangchai and decided that it would not be able to field the minimum requirement of 174 candidates because of inadequate financing. "In a way, this has brought about the possibility of virtually merging the two parties," Prasit said last night.

Addressing about 200 would-be CAP candidates at the party head office, Bunchu officially declared he was teaming up with veteran Wasant Intharasut in Nakhon Sawan's Constituency 3.

Bunchu-Wasant team expects to face stiff competition from PM's Office Minister Sawat Khamprakop and his younger brother, Prathuang, who are to run under the banner of the United Democratic Party in the same constituency.

Wasant's defection to the CAP reflects a rift within the six-member group of former Nakhon Sawan MPS under the leadership of Sawat, of which Wasant once was a member.

Bunchu looking confident told the gathering he intended to make the rice-growing Nakhon Sawan Province "the world's biggest rice market."

Apart from that, he said, the party planned to launch a major change in the country's economic policy, especially in financing. CAP would do its utmost to expand financial institutions and to stimulate foreign investment, he said.

The former Bangkok Bank president also pledged to set up nationwide saving cooperatives from which low-income earners could seek loans at lower interest rates than those offered by commercial banks. Price guarantee for agricultural products would also be included in the party platform.

He said the party expects to field not less than 280 candidates and some of them will seek seats in the capital's seven constituencies.

The surprise of the meeting was Suthep Wongkhamhaneg who announced he was leaving the New Force Party to represent CAP in Nakhon Ratchasima's Constituency 1. Suthep, who was earlier expected to run under a Democratic ticket, will team with Sunthon Chantharangsi.

Suthep said he decided to switch to CAP because the New Force Party was facing difficulties in meeting the minimum requirement of fielding 174 candidates.

"In addition, the platforms of New Force and CAP are not so different and I'm a close friend of Khun Bunchu and Darong Singtothong," Suthep said, adding that about 20 more New Force members also planned to switch to the CAP.

Meanwhile, CAP deputy secretary general Suthat Sirattanaphan said Prasit Narongdet will help the party recruit about 20 candidates for the Northeast.

Social Democrat Party deputy leader Khlazo, he said, is likely to join CAP and run in Khon Kaen Province. Khlazo has been deprived of the right to stand in the election by Khon Kaen provincial court for violating the Election Law during the 1983 general election. However, he has asked the Appeals Court to overrule that decision.

Meanwhile, former Ayutthya MP Sayan Sakiya told THE NATION he had learned that the Social Action Party had wooed Col Narong Kittikhachon to switch from the United Democratic Party (UDP) to SAP.

Sayan later asked Narong about the report but Narong denied he would defect to UDP.

Sayan said that the contacts between Narong and SAP was established through Bunphan Khaewatthana, a relative of deputy SAP secretary general Montri Phongphanit.

Both Narong and Montri are former Ayutthya MPs.

PM Office Minister Defects to UDP

BK060234 Bangkok THE NATION in English 6 Jun 86 p 2

[Text] PM's Office Minister Sawat Khamprakop yesterday officially defected from the Social Action Party (SAP) to the United Democratic Party (UDP) and said that he is ready to resign from the Cabinet if the prime minister does not ask him to stay on.

Sawat said that he will discuss the issue with Prime Minister Prem Tinsulanon Tuesday and if the premier gives him the liberty to decide, he will tender his resignation.

"If he said I should stay on, then I will comply with his wish," he said.

Sawat said that his group of about six former MPs will follow him to UDP.

The former Nakhon Sawan MP admitted he was concerned if Community Action leader Bunchu Rotchanasathian decided to stand in the province and complained: "Khun Bunchu should not treat me like this."

He said that if the report was true, he would not sleep well.

Bunchu yesterday declared during a seminar of CAP's [Community Action Party] candidates that he will run in Nakhon Sawan.

Asked why he appeared so concerned about Bunchu's decision to run in Nakhon Sawan, Sawat said: "Khun Bunchu is not only a millionaire. He is a billionaire."

Sawat said he decided to quit SAP because of the rifts which broke out as a result of M.R. Khukrit Pramot's abrupt resignation from the top party post.

The former party leader, he said, should have had named an heir-apparent long before his resignation.

However he said that the new political parties were formed to carry out "ad hoc missions" and that he hopes splinter groups of former MPs would get together again under the leadership of M.R. Khukrit.

Sawat said he joined UDP for two reasons: The party comprises many SAP co-founders and secondly, the UDP leadership had agreed to his project of establishing an agriculture council to monopolize paddy trading.

"My idea is to set up a mechanism through which farmers can replace the middle men in the paddy business," he said.

He said that UDP had so far recruited more than 200 "strong candidates" to run in the July 27 general election. Of the candidates, about 70 are former MPs. According to Sawat's own assessment, the Democrat Party will win about 90 seats, Chat Thai about 75, UDP about 70, SAP about 35, Ratsadon about 20, Prachakon Thai about 15 and Mass Party about 15.

The political parties, he said, have been divided into three camps: the pro-Prem camp comprising the Democrat Party, Ruam Thai and Ratsadon, the anti-Prem camp comprising UDP, Chat Thai, and Community Action Party (CAP), and the neutral camp. He said that the second grouping did not want to support Supreme Commander Gen Athit Kamlang-ek as prime minister.

Defections Swell CAP Ranks

BK070232 Bangkok THE NATION in English 7 Jun 86 pp 1, 2

[Text] The ranks of the Community Action Party (CAP) have been swollen by the defection of about 160 members of the Social Action Party (SAP), the New Force Party and the Social Democrat Party, a CAP member said yesterday.

Former Khon Kaen and SAP MP Suthat Sirattanaphan said that out of that number, about 100 defected from SAP, about 20 others led by well-known singer Suthep Wongkhamhaeng shifted from New Force and 39 others came from the Social Democrat Party.

All of them, he said, are non-MP's.

CAP leader Bunchu Rotchanasathian, meanwhile, expressed high hopes that New Force would merge with CAP after the July 27 general election. He said it may be imperative that New Force do so because the Constitution restricts the growth of small parties. "Many key members of New Force have swayed towards CAP," he said.

He added that the CAP team running in Songkhla had wholly shifted from New Force.

Suthep, former New Force deputy leader, told reporters that he and his colleagues decided to quit the party because its financiers had withdrawn their support at the last minute.

Yotthong also took to task certain provincial governors who he said were biased against some political camps and arranged election constituencies in favour of their favourite parties.

He also lashed out at partisan ministers who refused to leave the Cabinet as a matter of political spirit, charging some of them with using their powers to win votes. "As the coming poll will be filled with dirty tricks, we may have some parliamentarians elected through dirty means. And democracy will be further marred as well," he said.

New Muanchon Party Leader Opposes Prem

BK070236 Bangkok THE NATION in English 7 Jun 86 p 2

[Text] Democrat defector Chaloe Yubamrung has replaced Assistant Police Director General Pli Lt Gen Banthoeng Kampanatsaenyakon as leader of the Muanchon (Mass) Party, it was announced yesterday.

Chaloe will serve as acting Muanchon leader until a party congress is held after the July 27 general election. The party congress is expected to officially endorse his nomination as leader.

During yesterday's news conference at the party head office, Chaloe denied news reports that Banthoeng's resignation from the party's top post resulted from internal conflicts, saying the assistant police chief has been suffering from health problems and could not shoulder the heavy burden as the party's helmsman.

"In addition, Khun Banthoeng has not yet been officially appointed party leader. Therefore, it was misunderstood that he had resigned from the post," he said.

Chaloe, a strong critic of the Democrat Party under whose banner he was elected a Bangkok MP in 1983, announced he would not accept the party leadership in case he lost in the coming poll. The acting leader also claimed several chiefs of Democrat provincial branches including Narong Pan-ngam of Roi-Et would resign en masse from the Democrats and defect to Muanchon in the offing.

Regarding Muanchon's announced stand blocking the return of Gen Prem Tinsulanon as the post-election premier, Chaloe said his party still upholds its stand despite the recent dismissal of Gen Athit Kamplang-ek as the army commander-in-chief.

Chaloe, nevertheless, [words indistinct] disclose who the party would back as the next prime minister nor confirm whether the party has the support of Gen Athit.

The party yesterday also released the almost-completed list of its candidates for the forthcoming national poll. The breakdown of the total 194 candidates nationwide is: 15 in Bangkok, 52 in the Central Region, 19 in the North, 96 in the Northeast and 12 in the South.

Athit 'Might Join' Political Party

BK080146 Bangkok BANGKOK POST in English 8 Jun 86 p 1

[Text] Supreme Commander General Athit Kamlang-ek said yesterday that he might join a political party after his retirement on August 31, but maintained steadfastly that he would not form a party of his own.

He also said that he has been the victim of a smear campaign.

Gen Athit said that before entering politics he would take a rest after his retirement.

"On the question of whether or not to set up a party, I will not do it because one has to have money, manpower and experience," he added.

Instead of setting up a new party, Gen Athit said, he would rather join an existing one and help to improve it from within. He, however, commented that Thai politicians tended to prefer setting up new parties "like constructing bridges which will come to a halt when the fund dries up."

He stated that if he was to join a party at the persuasion of some politicians, he would consider three factors--the intent of members in that party, his role, and his status in the party.

Asked to comment on a recent statement by government spokesman Trairong Suwannakhiri, alleging that he gave out secret funds to political parties in a bid to topple the Government, Gen Athit instead reaffirmed his non-interference with politics, but quickly pointed out that he had many friends among politicians.

"Everyone has friends and must communicate with each other. But that does not necessarily mean that one has to support another," he said, adding: "When they (politicians) came to see me, how could I shut the door in their faces?"

He reiterated that Colonel Narong Kittikachorn of the United Democratic Party [UDP] came to see him to seek his counsel over the colonel's conflict with another leading UDP member, Colonel Phon Roengprasoetwit.

The general said that he felt he had become a victim of an organised smear campaign, but added that he was unperturbed by the ill-will attempt against him.

"Whatever the allegations, let it be. I will adhere to the principle of dhamma--to spread mercy to those people (who made the allegations). We are all Buddhists and Buddhists must be merciful," said Gen Athit. He added: "Everything depends on the heart. If we think good, we can be happy and can face any event smilingly."

The Supreme Commander disclosed that one day before he was removed from the army commander-in-chief position by Defence Minister Gen Prem Tinsulanon, he was in Surat Thani Province having a talk with highly-respected monk, Phutthathat Phikku.

He said that the revered monk told him that one could be happy if one showed mercy towards other people.

Because of the worthy advice from Phutthathat Phikku, he said that he was not perturbed by the criticism and allegations against him. "I still exercise and play badminton every day and I will continue to work until my retirement," he added.

"Nobody can remain forever; even the body can age, but one thing remains for good--that is virtue," he said philosophically.

Asked about the proliferation of political parties, Gen Athit said that he believed the problem was attributable to the habits of the Thai people themselves. "Thais prefer to create new things. Therefore, many political parties were set up," he said, however, adding that he believed all parties have good intention towards the country.

Gen Athit said that Parliament members had always been mistaken by their constituents as candidates who could give everything to them. In fact, he said, the MPs are simply representatives of the people whose duties are to protect and fight for the rights of their constituents.

Prem Not To Run in Elections

HK080400 Hong Kong AFP in English 0316 GMT 8 Jun 86

[Text] Bangkok, June 8 (AFP)--Thai Prime Minister Prem Tinsulanon Sunday announced he will not run in general elections next month despite pressure to become Thailand's first elected head of government.

Mr Prem, 65, made the announcement to the press in Korat, a town in northeastern Thailand 256 kilometers (153 miles) from here, on the eve of the opening of candidates' registration for the July 27 poll.

The prime minister said the present care-taker government had to "remain neutral" to guarantee fair elections. He added that if he were to join a political party to run in the poll, he would then "look as not acting in a neutral manner."

Asked whether he would accept a fourth mandate as prime minister, Mr Prem said such a decision would have to wait until after the elections.

The prime minister addressed only two previously-submitted questions during the 10-minute meeting with the press. Reporters were requested to abstain from asking further questions.

Mr Prem, who has led three successive governments since 1980, was under pressure to set a precedent in running for a political party and become the first elected prime minister since Thailand became a constitutional monarchy in 1932.

Sitthi, Praman Comment on Prem Decision

BK090125 Bangkok THE NATION in English 9 Jun 86 pp 1, 2

[Excerpts] Nakhon Ratchasima--Premier Prem Tinsulanon yesterday ended months of speculation by announcing that he will not join any political party to run in the July 27 general election.

But the prime minister, speaking to reporters at his residence at the headquarters of the Second Army Region, left open the question of whether he would want to retain his premiership after the election. "It's not yet time to answer that question," he said.

Prem said if he joined any party, he would lose his neutrality. "As the leader of the caretaker government, I will have to make sure that the election is held in an honest and fair way," he said.

His decision was welcomed by Deputy Premier Sitthi Savetsila who said that as leader of the caretaker coalition Prem has to maintain strict neutrality.

"If the premier had decided to join any of the parties, there would definitely be political confusion," he said.

Sitthi, who is also leader of the Social Action Party (SAP), said though Prem will not run in the election "it doesn't mean that his chance of becoming premier again is closed."

Sitthi, who is known to be a close friend of Prem, said the next leader should be an honest, capable and decisive person.

Maj Gen Praman Adireksan, leader of Chat Thai Party, said he took Prem's decision not to run in the election as an indication that he did not want to be premier again.

"If he wanted to retain the premiership, he should run in the poll," he said.

Former premier Gen Kriangsak Chamanan said the next premier should come from the election. He said he believed that leaders of all the parties were ready to become premier.

"And if it was the wish of the people, I myself would be ready to be premier," he declared.

Deputy Premier Phichai Rattakun said Prem served the country to protect the interests of the people with honesty. But he refused to say who should be the next prime minister.

Phichai's Democrat Party is known to have tried to persuade Prem to run in the election as its candidate.

27 June 1986

2 Small Parties Merge With Liberals

BK090145 Bangkok THE NATION in English 9 Jun 86 p 3

[Excerpt] Two small political parties facing difficulties in finding enough candidates to run in the general election yesterday formally announced their decision to merge with the Seri Niyom (Liberal) Party of former university affairs minister Prida Phatthanathabut.

Leader of Rakthai Party, Araya Phanitkun, and a representative of Puang Chon Maotthai Party, were present at a press conference at the headquarters of the Seri Niyom Party to announce their merger.

Also attending the press-conference were Prida, Col Narong Kittikhachon and Lt Gen Yutthasak Khlongtruatrok.

Narong and Yutthasak have just broken away from the strife-torn United Democratic Party to join Seri Niyom Party.

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CSO: 4200/1120

THAILAND

PROTECTIONIST BILLS IN U.S. CONGRESS VIEWED

BK040539 Bangkok Voice of Free Asia in English 1500 GMT 2 Jun 86

[Article: "Omnibus Trade Bill: Another Sign of Congressional Depreciation"]

[Text] The United States House of Representatives on 22 May 1986 voted 295 to 115 in favor to pass the Omnibus Trade Bill. A bill branded as trade reform bill would actually restrict and limit free trade. The bill includes, among others, provision to restrict trade, such as requirement for those countries with successive trade surpluses with the United States to curtail them by 10 percent a year or face trade retaliation by the United States. It is believed that, since President Ronald Reagan has pledged to veto the bill because it is protectionist it would diminish the president's discretionary authority, thus, give the congressmen a chance to vote for the bill with freer hand knowing that it will never be enforced.

Nevertheless, House Speaker Thomas "Tip" O'Neil, commenting on the passage of the bill with overwhelming support, said the bill sent a historic message that the United States will no longer stand by and watch American industry be replaced by foreign industry. In other words, this bill implies that the United States has had enough foreign imports that compete and unfortunately replace American products. And this bill, if it ever became law, would help alleviate the problem to a certain extent.

The story in our view is unfortunately not that simple. If Americans no longer wish to stand by to see foreign imports compete with U.S. goods and erect trade barriers, how could Americans expect others to stand idly by and watch American goods replace those of their own, or where would they get their means to pay for American products? Protectionism is not a solution to the trade problem. As fundamental academic theory tells us, it only aggravates further the trade situation by inviting retaliation and resulting in loss in consumer welfare through higher prices and less choices.

To cite just a few, the Omnibus Trade Bill or HR 4800, as its name indicates, is an omnibus frustration, a collection of grievances and displeasures of various pressure groups--industries and intergroups. This is the main reason why the bill is so popular. It will be hard, though not impossible, for a congressional representative to explain to his constituents why he voted against the bill. He might be branded as having no concern to his local industry, which

is under pressure from foreign imports. To vote for the bill, knowing that it will be vetoed, is an easy way out and an attractive choice.

The bill, the vetoes, the trade of veto--all indicate some sign of desperation to the trade problems the United States is currently facing. The United States last year registered a trade deficit of over \$148 billion and a year earlier at \$123 billion, both being successive record high deficits. Obviously, something must be done. No nation can live on following that way. Fortunately, during recent months we have seen some remedial actions. For example, the group of five has, since October last year, managed to drive the dollar lower vis-a-vis another major currency, particularly the mark and yen. The dollar has depreciated around 30 to 40 percent against the yen since the dollar dipped in February 1985, and, as the outcome of the Tokyo summit in early May indicated, the dollar will still remain low. In the United States itself, various efforts have been undertaken and actually initiated by Congress to curtail the massive budget deficit by the Gramm-Rudman-Hollins Act. A reduction in the budget deficit will further ease the pressure on the interest rate and the dollar. As U.S. budget deficit narrowed and the dollar depreciated, it is only a matter of time before the U.S. balance of trade begins to improve and consequently the revival of American jobs and industry. For this reason alone, Congress could have waited and might even afford to stand by had only the congressional election not been scheduled this November when all the House members and one third of the Senate would be out for the voter scrutiny.

It is a relief that President Reagan has already branded the bill as being both protectionist and antitrade, and he is likely to use his veto pen. Nevertheless, with the overweighing words of HR 4800, we undoubtedly have something to worry about.

Firstly, the bill still reflects clearly the attitude towards trade in this U.S. Congress. It clearly implies continued sentiments of protectionism. This has prevailed during the past few years. With the existing trend, it will be harder and harder for the U.S. administration to counter as day goes by, and it will be even more difficult for other nations to appreciate and on their part refrain from taking necessary actions.

Secondly, and more important because it lies closer to our heart, is that the number of the legislators who supported the bill can be more than enough to override the presidential veto. Our hope is only that the bill will not obtain an equally strong support in the Senate, and--if it does pass the Senate and subsequently face the veto--some of these honorable legislators might then have second thoughts. Otherwise, the consequences will be gloomy. Since we believe that protectionism is bad, it will not help America; neither will it benefit the rest of the world.

Finally, there are people who hope that HR 4800 may fail, but it will serve as a model for others, though more moderate, but acceptable to both Congress and the administration to pass. For this last point, others can only rely on the leadership of the United States as the aggregate and supporter of free trade to resist further protectionist legislation and to trust that the commitment at the Tokyo summit to holding and reversing protectionism be honored.

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CSO: 4200/1103

THAILAND

FOREIGN MINISTRY'S ASA SARASIN COMMENTS ON PRC VISIT

BK290101 Bangkok BANGKOK POST in English 29 May 86 p 3

[Text] China has indicated that it cannot buy from Thailand every time it is asked and has suggested that long-term bilateral economic plans be drawn up for future trade, the Permanent Secretary for Foreign Affairs said yesterday.

Mr Asa Sarasin, who returned yesterday from a week-long visit to China, said trade relations between the two nations so far have been satisfactory and there have been no cases involving forced purchases.

He said a Thai-Chinese joint committee on economic relations has been set up with the Chinese Vice Foreign Minister, Liu Shuqing, acting as chairman.

He said two sub-committees on investment and trade have also been formed, with help from the embassies in Bangkok and Beijing.

Mr Asa said both countries realised the need to increase trade and investment and that the Double Taxation Agreement and investment-related measures already in effect should help brighten the investment climate in both countries.

He added that Thailand and China have agreed to hold regular talks on trade issues and avoid market competition.

China also decided to buy more maize from Thailand. Earlier this year, Beijing had increased its purchase of Thai rice from 120,000 tons to 200,000 tons.

Main political issues raised during Mr Asa's visit were centred on the conflict in Kampuchea. Mr Asa said China supported ASEAN's position and called for the withdrawal of Vietnamese forces from the war-torn country.

He said China remained firm on its support for the Khmer resistance's eight-point proposal and called it the most comprehensive solution to the Kampuchea problem.

Mr Asa said ASEAN will be sending representatives to Africa, the Middle East and Latin America to lobby support for ASEAN's position on Kampuchea before the Non-Aligned summit takes place in August.

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CSO: 4200/1103

THAILAND

LEADERSHIP CHANGE, FUNDING FOR RICE BANK REPORTED

Bangkok NAO NA in Thai 19 May 86 pp 7, 8

[Unattributed report: "Prem Charges That Some Parties Are Using Issue in Campaign, Will Supervise Rice Bank Himself By Putting Suli in Charge Instead of Commerce"]

[Text] Prime Minister Prem has ordered Minister Suli to replace the under secretary of commerce as head of the project to establish a rice bank. He charged that some political parties are using the project to win votes. He also wants to pave the way for using money from the oil fund for this project. Because project expenditures may reach 4 billion baht.

Mr Danai Dulasampha, the director-general of the Economic Department, Ministry of Foreign Affairs, disclosed that last week, the ministries of commerce, agriculture, and foreign affairs held a joint meeting in order to discuss the establishment of a rice bank. The meeting was chaired by Flying Officer Suli Mahasanthana, the minister attached to the Office of the Prime Minister. The main topic of discussion was to obtain money for the project.

A news source in the Ministry of Agriculture said that the cabinet originally appointed Mr Wichan Niwatuang, the under secretary of commerce, to head the project, which was tantamount to turning the project over to the Ministry of Commerce. But later on, Flying Officer Suli was appointed project head. This was done with the approval of Gen Prem Tinsulanon, the prime minister, who wanted the Office of the Prime Minister, and not the Ministry of Commerce, to be responsible for the project. This is because parliament has been dissolved, and there will be an election in July. He did not want political parties using the rice bank project in their campaigns.

Another reason is that funds for this project may have to be taken from the oil fund. Thus, he wanted Flying Officer Suli, who is responsible for oil affairs, involved in this project, too.

The news source said that at last week's joint meeting, the three ministries discussed the structure of the rice bank. The Office of Agricultural Economics conducted a study and recommended that the rice bank collect rice reserves in excess of market demand. It proposed that the rice bank buy the paddy from the farmers at 10 percent above market price.

This paddy will be milled and then exported in accord with the government-to-government marketing contracts and sold in various provinces. Some of the rice will be sent to help countries that have been hit by a natural disaster. This will be done based on our relations with those countries.

Originally, it was thought that approximately 2 billion baht would be needed to establish the rice bank. Of this, 600 million baht was to come from the Ministry of Commerce, 400 million baht was to come from the Ministry of Agriculture, and 1 billion baht was to be borrowed from commercial banks. But because of the effect of the U.S. Farm Act, it is now estimated that the rice bank will have to purchase and store approximately 300,000-400,000 tons of rice in order to intervene in the domestic rice market effectively. This will require approximately 4 billion baht, assuming that farmers are paid 2,500 baht per kwian [1 kwian equals 2,000 liters] for their paddy.

"Minister Suli has asked to consider the principles first. He has asked that the details for each stage be worked out and then submitted for consideration," said the news source.

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CSO: 4207/245

27 June 1986

THAILAND

EX-SUPREME COMMANDER SAIYUT OPPOSES U.S. ARMS DEPOT

Bangkok MATICHON in Thai 14 May 86 p 2

[Unattributed report: "Saiyut Charges That Establishment of Arms Depot Is Contrary to Original Objective"]

[Text] Saiyut has charged that the war reserve stockpile project has been twisted to the point where it has become a matter of interests. He wants all factions to stop talking and start over based on the original plan.

Gen Saiyut Koetphon, the former supreme commander, talked about the establishment of a war reserve stockpile. He said that the original project was initiated during the period that he served as supreme commander. The matter was discussed with the Ministry of Foreign Affairs in order to have it help obtain weapons for Thailand, which lacked the money to purchase and stockpile large quantities of weapons. Thus, the plan was to obtain support from abroad without restriction as to country. This was to be done through the Ministry of Foreign Affairs.

Gen Saiyut said that after he retired, this plan was altered, and it became a matter of the United States establishing a war reserve stockpile in Thailand. This is very different from the original plan. It has become a matter of U.S. interests. There is also the issue of who will benefit from guarding the stockpile and from other aspects.

"This is a completely different project. I think that people should stop talking about this, because this will just lead to a split. The military itself is distrustful, because this has become a matter of interests. We should stop talking about this and start all over based on the original plan," said Gen Saiyut. He added that he supports the plan to bring in weapons to defend the country. But he opposes the present project, because it is a matter of interests.

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CSO: 4207/245

THAILAND

EX-SOCIALIST MP, PROGRESSIVE PARTY ORGANIZER PROFILED

Bangkok MATICHON SUT SAPDA in Thai 18 May 86 p 16

[MATICHON Profile column: "Mr Chamni Sakdiset, a Former MP From Nakhon Sithammarat Province"]

[Text] He was born on 3 March 1947 in San Tambon Subdistrict, Ron Phibun District, Nakhon Sithammarat Province. He is the second of the five children of Mr Kruk and Mrs Choi. He completed lower primary school at the Wat Sannakkhan School in Ron Phibun District. He completed secondary school at the Benchamarachuthit School in Nakhon Sithammarat Province. He then studied law at Ramkhamhaeng University.

In 1968 he went to work for the Ministry of Commerce as an inspector. In 1970 he served as a tax auditor with the Revenue Department, Ministry of Finance. He left government service in 1971 to participate in student activities as a student from Ramkhamhaeng University.

In 1973 he joined the National Student Center of Thailand during the period that Mr Sombat Thamrongthanyawong was the secretary general. He took part in the struggle to demand a constitution and drive Field Marshal Thanom Kittikhachon, Field Marshal Praphat Charusathian, and Col Narong Kittikhachon out of the country during the events of 14 October 1973. In the wake of those events, he was appointed head of the democracy popularization project in the south.

In 1975 he was elected MP from Nakhon Sithammarat Province as a member of the Socialist Party of Thailand. In 1976 he served as the secretary general of the Socialist Party of Thailand. On 6 October that year, many students were killed at Thammasat University, and the Reform Council headed by Admiral Sangat Chaloyu staged a coup and installed Mr Thanin Kraiwichian as prime minister. The various power groups were denied the chance to wage a political struggle. Those in power implemented a dictatorship and so he fled and fought alongside the Communist Party of Thailand (CPT).

In 1981 the political atmosphere improved. Different ideas and viewpoints were tolerated more. Also, he did not feel that the CPT was the answer to Thailand's problems. Thus, he returned to wage a political struggle within a democratic system.

In 1985 Mr Uthai Phimchaichon, the leader of the Progressive Party, asked him to join the party. The Progressive Party has entrusted him with the task of selecting candidates to run in the southern provinces. He will run as the Progressive Party's candidate in electoral constituency 3 in Nakhon Sithammarat Province.

He is married to Thatsana Phanusunthon. They have one daughter.

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27 June 1986

THAILAND

SOCIALIST PARTY CHIEF COLONEL SOMKHIT PROFILED

Bangkok KHAO PHISET in Thai 14-20 May 86 p 9

[Reception Hall column: "Col Somkhit Sisangkhom, a Man Who Has Faced the Challenges"]

[Text] During the middle of 1980, when KHAO PHISET was still known as SIAM NIKON, the magazine sponsored a seminar on the constitution and democracy. One of those who participated in the seminar was Col Somkhit Sisangkhom. On that occasion, Col Somkhit expressed great disappointment in Thai politics, which he said was characterized by an endless circle of holding an election, staging a coup and tearing up the constitution, drafting a new constitution, and holding a new election. One dictator after another seized power. Col Somkhit said that Thai politics was still stuck in a "vicious circle."

The words "vicious circle" became a well-known phrase after that. But the person who uttered these words remained in the background and carried on political activities quietly in order to perfect democracy. He did "thankless jobs" many times. On many occasions he was attacked by those who held different views.

Col Somkhit has been involved in politics ever since 1945 when he was a lieutenant. He ran for parliament from Udon Thani and came in second. In 1956 he ran for the second time and again came in second. In 1957 he went to England to study sociology. In 1969, after returning from England, he again ran for election and won. But Field Marshal Thanom Kittikhachon staged a coup in 1971 and so he had to return to government service. In 1974 he had a chance to serve on the National Legislative Council and helped draft the 1974 constitution, which is considered to be a very democratic constitution.

In 1975 Col Somkhit became the leader of the Socialist Party of Thailand. He ran for election in Udon Thani and was elected MP. But this parliament did not survive very long either. The Socialist Party of Thailand had to disband in the wake of the bloody events of 6 October 1976. Many party members had to flee into the jungle because of the political situation. But Col Somkhit remained in the city and continued to speak out about democracy with the same confidence and idealism as before.

In 1979, amidst the developing political situation, Col Somkhit joined together with Khlaeo Norapoti, Suthi Phuwaphan, Suthat Ngoenmun, Prasoet Loetsayaso, Inson Buakhieu, Chan Kaeochusai, Wirot Sakset and others to form the Social Democracy Party. Two members of the party, Khlaeo Norapoti and Suthi Phuwaphan, were elected to parliament in the 1983 general election. Both Khlaeo and Suthi are almost certain to win re-election on 27 July.

The above is based on what Col Somkhit told us when we had a chance to talk with him. We had a chance to talk with him about his past and that of other "socialists."

Few people thought that the Social Democracy Party would be able to put up a fight again. But the party will field 174 candidates as required by the constitution. Some people say that the party is making a "last ditch" effort.

"If I intended to switch parties, I would have done so a long time ago. How could I do that when most party members have stuck by the party and continue to struggle? I have to fight for my ideals. As long as the party resolution calls for struggle, I will struggle. But if the party is disbanded, that is another matter. But I won't desert the party," said Col Somkhit testily.

Col Somkhit has announced that he will run for election in his home province of Udon Thani in the 27 July election. He will run against MPs who have large campaign funds, including Kiattichai Chaichaowarat and Prasop Butsarakhom. But he is sure that the people of Udon Thani, in whom he has great trust, still have confidence in him.

Col Somkhit is 65 years old. His financial position is the same as that of the Social Democracy Party. That is, both are poor. But both are rich in ideals. The 27 July election gives Col Somkhit and the Social Democracy Party another chance to win the approval of the people.

"Even though neither I nor the party have any money, I am very confident," said Col Somkhit with a troubled but spirited look in his eyes.

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CSO: 4207/243

THAILAND

DEPUTY SPECIAL WARFARE CENTER COMMANDER PROFILED

Bangkok DAILY NEWS in Thai 19 May 86 p 5

[DAILY NEWS Square column by Nanthana: "An Experienced Combat Officer Who Is Second in Command to Lt Gen Sunthon Khongsomphong"]

[Text] Maj Gen Thanaphon Bunyopatsatham, the deputy commander of the Special Warfare Command, is one of the two deputy commanders under Lt Gen Sunthon Khongsomphong, who often visits the prime minister. The other deputy commander is Maj Gen Sanan Sawetsenni.

Maj Gen Thanaphon Bunyopatsatham was born on 2 April 1934. He completed lower secondary school at Wat Bophitphimuk School in 1949. He graduated from the Chulachomklao Royal Military Academy (CRMA) in 1957.

After graduating from CRMA, he served as an armor NCO cadet platoon leader and as a tank platoon leader with the 5th Battalion, 2d Cavalry Regiment. Then Lt Col Prem Tinsulanon was the battalion commander.

In 1959 he took the course for company-grade infantry officers at Fort Benning, Georgia. He also observed activities at Fort Lewis. In 1960 he took a jungle warfare course in Malaysia. In 1963 he took the course for field-grade officers at the Cavalry School in Saraburi. Following that, he served as an operations and training officer and as the deputy commander of the 10th Battalion, 2d Cavalry Regiment, Chakraphong Camp, Prachinburi Province. After attending the Army Command and General Staff College, he was assigned to the 6th Regimental Combat Team, Sapsitthiprasong Camp, Ubon Ratchathani Province. In 1966 he served as the chief of staff of the 2d Cavalry Regiment.

In 1967 he commanded an independent company in Korea with the 20th Relief Forces. He carried out his duties in an outstanding manner and was commended for his work in the well-known Snowball exercise. Before he left Korea, the United States offered him a chance to attend the U.S. Army Command and General Staff College at Fort Leavenworth. In 1970 he served along the border in Nan Province. His troops succeeded in capturing several communist terrorist bases. He came under attack by communist terrorists several times while taking troops to guard the road to Ban Hual Kron. He captured many important communist terrorists. For example, he captured Mrs Pathum, the wife of Comrade Prasitthi (Khe), a member of the CPT Central Committee. During the Nam Chang Operation

in the Pha Daeng Mountains, he seized several communist terrorist bases near Muong Ngoen in Laos.

In 1973 he attended the U.S. Army Command and General Staff College at Fort Leavenworth, Kansas. In 1974 he served as the deputy commander of the 2d Cavalry Regiment. In 1977 he led the 267th Battalion Combat Team on an operation in Nan Province. He succeeded in suppressing the communist terrorists and bringing peace to the area. He also opened up a highway along the eastern border for the people in the northern part of Nan Province. This made things much more convenient for the people.

In 1981 he was appointed deputy chief of staff for the 4th Army Area and commander of a thahan phran irregular special action unit subordinate to the 4th Army Area. He helped formulate a plan to improve the thahan phran irregulars. Because of this, he gained a good reputation. He also made a name for himself during the Tai Rom Yen operation. He was promoted to major general and appointed chief of staff of the 4th Army Area in 1983.

In 1984 he was appointed deputy commander of the Special Warfare Command. He has participated in developing this unit and in formulating an unconventional warfare curriculum. He has helped improve the operations efficiency of this unit, which has been the hope of the unit's commander. He has participated in the joys and sorrows of this unit and welcomed VIPs on several different occasions. He was awarded the Ratchaisriyaphon Prathamaphon Mongkut Thai Medal.

He has three children. He likes all types of foods. He stopped smoking a long time ago and exercises regularly. He drinks socially. His two oldest children are Police Sublieutenant Akrachon Bunyopatsatham, who graduated from the Samphran Police Academy and who is now studying in the United States, and Sublieutenant Sorawut Bunyopatsatham, who graduated from CRMA and who is now serving with the 3d Battalion, 11th King's Guard Infantry Regiment. His youngest child, who is 11 years old, attends Satri Phyathai School.

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CSO: 4207/243

THAILAND

POLICE RAID CANDIDATE; SEIZE WEAPONS, AMMUNITION

BK040131 Bangkok BANGKOK POST in English 4 Jun 86 p 1

[Text] The 75-year-old mother and younger brother of a Progressive Party candidate were charged with possessing war weapon ammunition following a pre-dawn raid by 90 troops and police yesterday.

Maha Sarakham candidate Dr Koson Sisang was away during the 3:50 a.m. raid in which his mother, Mrs Lao, and brother, Mr Suchat, 26, were arrested. Also charged was Prayong Tapacha.

The raid on the Vapeepathum district house was led by Second Army Col Prachak Wisuthikun with a search warrant issued by Crime Suppression Division [CSD] Commander Maj-Gen Bunchu Wangkanon.

Allegedly seized in the raid were 15 .45-calibre and nine carbine bullets, a bayonet, two amateur radio transmitters and some books.

As more than 200 onlookers gathered at the scene, one army officer was alleged by spectators to have shouted out derogatory remarks about the political affiliations of Dr Koson and the Progressive Party.

Speaking at the Progressive headquarters in Bangkok, Dr Koson, former secretary-general of the Christian Student Centre, denounced the raid as "a frame-up" which, he alleged was "probably politically-motivated."

The would-be candidate for Constituency 1 said the ammunition neither belonged to him nor his family.

Dr Koson alleged that the officers confiscated 3,400 baht from his mother and damaged property during the search.

Party leader Uthai Phimchaichon said he will counter-charge the officers involved in the raid and the subsequent arrests. "The arrest of innocent civilians should serve as a warning to other parties and other candidates," said the Progressive Party leader and former House Speaker.

The CSD commander said he had signed the warrant on Monday at the request of the Second Army officers involved in communist suppression and had assigned 10 CSD officers to work with them.

Maj-Gen Bunchu said the request was made through Police Department Director-General Gen Narong Mahanon.

Pol Gen Narong said last night he knew nothing of the warrant and was unaware of the arrests.

It was reported that the arrests were ordered by Second Army Chief-of-Staff Maj-Gen Phaibun Hongsinlak.

It was not immediately known whether the three suspects were still being held.

/12766

CSO: 4200/1103

THAILAND

STATE ENTERPRISES UNINFORMED OF REFINANCING LOANS

Bangkok NAE0 NA In Thai 5 May 86 pp 7, 10

[Unattributed report: "Three State Enterprises Angry With Ministry of Finance for Not Discussing Matters With Them Before Borrowing 60 Billion Yen To Refinance Loans"]

[Text] Three Thai state enterprises are angry with the Ministry of Finance for borrowing 60 billion yen to refinance the old loans without discussing this with them first. They were informed only after the loan was taken. It will be more difficult to borrow money next time. Minister Sommai will definitely sign the loan agreement on 6 May.

A report from state enterprise circles has informed NAE0 NA that three state enterprises, that is, the Electricity Generating Authority of Thailand, Thai Airways International, and the Government Housing Bank, are upset with the Ministry of Finance's decision to borrow 60 billion yen, or approximately 9.3 billion baht, to refinance the old loans.

The state enterprises are upset because the Ministry of Finance took this action without discussing this with them first. Instead, it took this action first and then sent a letter informing the state enterprise administrators of what it had done on 30 April after the cabinet approved this on 29 April.

"Actually, refinancing an old loan at a lower rate of interest and extending the term of the loan is fine. But the units concerned should be shown some courtesy even though the Ministry of Finance is guaranteeing the loans."

The news source said that even though the action taken by the Ministry of Finance was proper and reasonable in principle, there are certain factors that pose a problem for the state enterprises. In particular, it will be more difficult for them to borrow money in the future.

"Whenever you refinance, it indicates that you are having difficulties. In the future, it will be more difficult for us to borrow money on the loan markets. They will be unwilling to give us good conditions."

Besides this, in taking a joint loan like this, there is the problem of the financial stability of each state enterprise unless specific loans are taken

for each unit. But even so, when such action is taken without informing the people concerned ahead of time, they have to waste time revising their financial plans. On behalf of the Ministry of Finance, Mr Sommai Huntrakun will sign the 60 billion yen loan contract with the creditors, comprising 24 institutions headed by the Bank of Tokyo, on Tuesday, 6 May, at the Erawan Hotel.

The cabinet passed a resolution on 29 April authorizing the Ministry of Finance to borrow this money at a rate of interest of 6.1-6.7 percent for the purpose of paying off the old loans that carry interest rates of 7.1-9.2 percent. The loan repayment periods have been extended from an average of 4.3 years to 10-15 years.

11943

CSO: 4207/243

THAILAND

FISHERIES TO GET JAPAN AID, VANUATU PACT POSSIBLE

Bangkok NAE0 NA in Thai 16 May 86 pp 1, 2

[Unattributed report: "Fishermen To Establish Fleet, Expand Fishing Area in the South Pacific"]

[Excerpt] Thai fishermen have a bright path. They are preparing to expand operations into the South Pacific. Besides increasing exports, this will help reduce imports of certain types of marine products such as tuna. The Ministry of Foreign Affairs is providing much support. Japan has been asked to provide technical help. At the same time, a request has been made to abolish the transit fee.

Around noon on 15 May at the Ministry of Foreign Affairs, Sublieutenant Praphat Limpaphan, the deputy minister of foreign affairs, and Mr Chia Kokphon, the president of the Samut Sakhon Fishing Association, issued a joint statement. Mr Chia stated that the cabinet had recently given the Fishing Association permission to establish a fishermen's welfare fund. This fund will greatly benefit fishermen. The fund will be used to help seamen who have been arrested by other countries and to aid boats damaged during floods. It will also be used to support coastal development.

Mr Chia also said that the Ministry of Foreign Affairs, the Ministry of Agriculture and the Fishing Association are now working together to formulate a plan on operating boats in the South Pacific. This would take in the area from Australia to Vanuatu. Mr Chia said that this plan is being formulated following the negotiations with the prime minister of Vanuatu, who visited Thailand recently. "He did not set any conditions, and we are ready," said Mr Chia. He said that if we can do this, this will give us additional fishing grounds at a time when the number of Thai fishing boats is increasing and the number of fishing sites is decreasing. "We will disband the small fleets and form a large fleet. This will enable us to expand fishing operations."

Sublieutenant Praphat said that a sea pact between Thailand and Vanuatu will help solve the fishing problem. Besides enabling Thailand to catch more fish, this will help reduce the import of certain types of marine products. For example, Thailand imports 100,000 tons of tuna each year.

Sublieutenant Praphat added that discussions have been held with Japan. Japan is prepared to provide technical help. Besides this, Thailand has submitted a note to Japan asking them to abolish the transit fee on fishing boats.

THAILAND

BRIEFS

RICE FOR IRANIAN OIL--The Commerce Ministry has won Cabinet approval to trade with rice for crude oil with Iran on a barter basis. Officials from the Foreign Ministry's economics and treaty departments, the Commerce Ministry and Petroleum Authority of Thailand left for Iran on Tuesday to improve the terms of the formula to be used in calculating the arrangement. If the alterations are agreed upon, the Thai side would sign a contract to buy 80,000 tons of crude oil from Iran in exchange for 110,000 tons of rice. [Text] [Bangkok BANGKOK POST in English 29 May 86 p 3 BK]/12766

GOVERNOR WARNS GUNMEN AGAINST ELECTION MISCHIEF--Phet Buri Governor Chaowat Sutlapha has asked local gunmen to stay calm during the July 27 general election. Speaking at a meeting of provincial governors at the Asia Hotel yesterday, Chaowat said he had held a meeting with some of the gunmen in the province and asked them not to create trouble during the election. In the past, many gunmen were involved in conflicts during political campaigns, he noted. In an unprecedented move last year, Chaowat negotiated a truce between two rival groups of gunmen in Phet Buri. This has earned him much respect among the gunmen and local people. As for this year's election, Chaowat said he had asked the local people to observe the movements of gunmen and inform police if there were signs of untoward incidents breaking out. "So far, there have been no signs of an open conflict," he said. Chaowat said provincial officials would step up a campaign to urge the people to exercise their voting rights on the election day. Regarding reports of vote-buying attempts, the governor said provincial authorities have already issued an announcement advising the people not to vote for candidates who pay them money. [Text] [Bangkok BANGKOK WORLD in English 31 May 86 p 3 BK]/12766

VILLAGER ON INTELLIGENCE MISSION--Nakhon Phanom--A Thai villager who was trained by Vietnamese in Laos has sneaked into Renu Nakhon District of this northeastern province on an intelligence mission, police said today. The man was identified as Chan Lampong, of Nabua Village in Renu Nakhon. Police said he was trained by the 5th Vietnamese Division based in Bung Khang Village of Khammouane Province in Laos. [Text] [Bangkok BANGKOK WORLD in English 31 May 86 p 3 BK]/12766

ANOTHER CPM CAMP SEIZED--Betong, Yala--Troops seized another satellite camp of the Communist Party of Malaya yesterday, the Civilian-Police--Military Force 43 Commander Col Chamong Phairot said. He said a company of army-trained rangers

yesterday seized 10 houses belonging to the CPM's Region 2 of Company 3 near the Thai-Malaysian border. They contained equipment and a large number of documents. A force led by Lt Udomsak Buaphrommai encountered about 10 guerrillas near the border while approaching the CPM 2nd Company of the 2nd Region. The 20-minute clash ended when the CPM broke contact with Thai troops in hot pursuit. The colonel yesterday called a meeting of officials of Betong and Than To Districts. He assigned police to set up checkpoints to stop supplies going to the Communists and to provide protection for villagers. Wirun Chanthasiwirot, representing Betong residents and merchants, told the BANGKOK POST yesterday that the CPM has no ideology and extorts supplies from villagers. He said the CPM, after a government attack, would harass villagers for more support. He said that a CPM faction in Region 1 now gives full support to southern separatists. In February, he said, the CPM allowed the separatists to attack a bus on the highway to Betong. [Text] [Bangkok BANGKOK POST in English 24 May 86 p 3 BK]/12766

FARMERS SEEK CANDIDATES' VIEWS--Mr Prarom Buasamli, the chairman of the Central Committee of the Farmers Group of Thailand, said that political parties that want farmers' votes should clarify their policies on helping farmers. Mr Prarom said that if the parties want farmers' votes, they should clearly state what they intend to do to help farmers. If the farmers feel that their policies will really benefit the farmers, the farmers will vote for them. But so far, no political party has made a clear statement on this issue. However, Mr Prarom said that the Farmers Group will submit a letter to the mass media and political parties explaining the plight of the farmers. In conclusion, Mr Prarom said that he would like to tell those who will form the new government that something must be done to improve rice prices. Because today, rice prices are low throughout the country. No one is buying the rice. About 30 percent of the rice is still in the hands of the farmers. [Text] [Bangkok NAE0 NA in Thai 14 May 86 p 3] 11943

CSO: 4207/245

PEOPLE'S REPUBLIC OF KAMPUCHEA

SVAY RIENG RELATIONS WITH SRV PROVINCE DESCRIBED

Hanoi NHAN DAN in Vietnamese 11 Apr 86 p 3

[Vietnamese-Lao-Cambodian Fraternal Solidarity column: "Long An-Svay Rieng Cooperation"]

[Text] Long An and Svay Rieng provinces share a common border 142 km long. The peoples of the two provinces have had a spirit of solidarity and mutual support for many generations. In 1985, new achievements were scored in the cooperative and friendly relationship between the two provinces.

Long An helped its neighbor build commercial stores in the cities. These stores went into operation in July 1985. Long An sent industrial goods for retail sale, and Svay Rieng used the money earned to purchase goods for remittance to Long An. In agriculture, Long An loaned rice seed to Svay Rieng and helped it plant the 1985 summer-autumn rice crop. More than 500 hectares were planted in new short-term varieties of rice (planting new rice varieties is a new problem for Svay Rieng). It also helped Svay Rieng test grow peanuts, which turned out successfully. Last year, two more important communications projects in Svay Rieng were completed with the help of Long An. The two projects were the Su Dao bridge and the Sau Hue sluice. As for exchanging goods, Long An sent cement, beer, and medicines to Svay Rieng in exchange for meat hogs and a number of types of agricultural goods such as corn and beans.

In 1985, Long An Province sent 13 cadres subordinate to the water conservancy, agricultural, industrial, commercial, and public health sectors to help Svay Rieng. These cadres completed the tasks entrusted to them and helped train hundreds of cadres, workers, and technical personnel. Long An Province also reserved non-reimbursable aid for Svay Rieng, including new rice varieties, construction capital, and allowances for [foreign] specialists. Cadres and other people from Svay Rieng were given medical treatment at the Long An provincial hospital and at district hospitals. Long An sent Svay Rieng two shipments of tonics and medicines valued at tens of thousands of dong.

This year, along with completing the projects already in progress, Long An and Svay Rieng provinces are promoting cooperative relations that will benefit both provinces. In this, much attention is being given to quality and economic results.

11943

CSO: 4209/550

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

WISE IMPLEMENTATION OF 1986 EXPORT-IMPORT PLAN URGED

Hanoi NGOAI THUONG in Vietnamese Feb 86 pp 3-4, 14

[Article: "To Better Implement the 1986 Export-Import Plan"]

[Text] The year 1986 is the year which begins the 1986-1990 5-year plan, a plan of very great significance in fulfilling the economic-social missions in the first phase of the period of transition, which were set forth by the Fifth Party Congress. The year 1986 must be a year in which the collective mastership right of the working people is brought into play, the revolutionary movement of the masses is seething all over the nation, and the leadership of the Party and the management of the state are clearly improved, in order to create a strong transformation in attaining the goals that have been set. With regard to foreign trade, 1986 is a year in which the entire sector must endeavor to step up its export-import activities and strengthen its management of foreign trade to contribute to the successful fulfillment of the 1986 economic-social missions. At the same time, it must endeavor to continue to create a strong transformation in eliminating the bureaucratic centralism-subsidy system, form a new management mechanism, and change the commercial units over to socialist economic and commercial accounting. The fulfillment of the missions of the export-import plan has an especially important significance. To do a good job of fulfilling the missions of the export-import plan 's for the foreign trade sector to make an extremely important contribution to victoriously attaining the economic-social goals, especially in the enterprise of building the material-technical bases of socialism and in resolving the imbalances of production and life.

In order to victoriously fulfill the missions of this year's export-import plan, it is necessary to fully implement the policies, measures, and regulations regarding stimulating the development of production and strengthening export-import management which have been promulgated by the state. Furthermore, it is necessary to firmly grasp the Ministry of Foreign Trade stipulations (in accordance with Circular No 03/BNg T-XNK, dated 18 January 1986) providing guidance with regard to fulfilling the 1986 export-import plan.

With regard to exports, on the basis of the state norms assigned to the sectors, localities, and economic units with regard to the production, state purchasing, and delivery of export goods, the export-import organizations must sign contracts during the first quarter of this year to purchase export goods.

At the same time, they must sign contracts with the production bases regarding the supplying of materials vis-a-vis the parts of the plan in which the export-import organizations are responsible for supplying materials for production. If the production bases encounter difficulties because they cannot be supplied sufficient materials in accordance with the state plan norms, the export-import organizations must report to the Ministry of Foreign Trade so that steps can be taken, along with the production bases, to resolve the materials problem, especially with regard to imported materials, in a manner appropriate to the policies and regulations that have been promulgated. The central export-import organizations must report to the Ministry of Foreign Trade and the managing organs the results of the signing of contracts to purchase export goods and make the necessary recommendations. The economic units of the sectors and localities assigned norms by the state for producing, purchasing, and delivering goods to the central echelon for export must sign contracts for the delivery of goods in accordance with the norms and ensure the fulfillment of contracts. Only goods produced or purchased in excess of the contracts can be used for other purposes, including exporting by the sectors and localities.

With regard to such important export goods as rubber, coffee, tea, peanuts, soybeans, jute, coconut, shrimp, squid, cinnamon, etc., the general corporations and export-import corporations must supply sufficient materials, in accordance with the plan norms of the localities, and the localities must deliver goods for export by the central echelon in accordance with the plan norms and prices set by the state. The localities may export such goods only after fulfilling the plan norms regarding the delivery of export goods to the central echelon. In the event that it is necessary to mobilize goods beyond the legal norms to fulfill international obligations, the Ministry of Foreign Trade will inform the local people's committees, which are obliged to give priority to turning over additional goods to the central echelon and enjoy the same benefits as if the central echelon had been commissioned to export the goods. The general corporations and central export-import corporations also must provide materials and goods to meet the production requirements of the localities.

The central and local export-import organizations and the other economic organizations must strictly observe the regulations regarding the management of export goods purchasing, and must not arbitrarily raise prices beyond the state guidance prices in order to compete in buying export goods.

Allowing sectors and localities to export goods beyond the legal norms will be based on plans for the production of export goods and export plans that have been approved by the competent echelon. The localities which do not have conditions for producing export goods can form economic alliances with the other localities to organize production and include it in their export plans. The forms of economic alliances among localities must have the goal of

developing additional sources of export goods. The localities which enter into economic alliances and share production are authorized to export those products directly or commission their export. With regard to such important products as rubber, coffee, tea, peanuts, soybeans, jute, coconut oil, shrimp, squid, cinnamon, etc., the localities forming alliances must sign contracts and make reports regarding the sharing of products in order to have a basis for reference when export permission is given. The Ministry of Foreign Trade will organize and guide the export of those products in accordance with the principle of there being only one trade contact with the foreign markets for each product.

With regard to importing, in order to ensure the use of most of the foreign exchange earned from exporting to import materials and goods necessary to serve production and life, the importing of goods beyond the legal norms must be in accord with the following stipulations:

With regard to the importing of production means, the foreign exchange earned from exporting (including borrowing imports in advance and using exports to repay debts later) must be used first of all to import production means to serve agriculture, such as fertilizer and insecticide; production means to serve the catching and raising of maritime products, such as marine engines, fishing equipment; and raw materials necessary for the production of industrial, small industry, and handicraft consumer goods, such as fibers, chemicals, and plastics. Furthermore, appropriate amounts must be set aside for building the material-technical bases of the sectors and localities. Materials and raw materials that have been produced and supplied in ample amounts, or the production of which can be organized to meet requirements, such as cement, glazed tiles, etc., must not be imported.

The importation of complete sets of equipment, production lines, etc., must have the approval of the central production and technical management sectors and must be in correct accord with the stipulations of the state. The signing of import contracts must be accomplished by means of specialized central-level export-import corporations or in close coordination with the specialized import-export general corporations.

With regard to the production means that must be imported from other markets outside the socialist market sector, in accordance with the above-mentioned requirements every year, when drafting plans, the sectors and localities must report to the State Planning Commission. If the State Planning Commission feels that it can supply the sectors and localities from the state materials stockpiles, the sectors and localities which receive those materials must give priority to repaying the central echelon by using the foreign exchange earned by the sectors and localities.

With regard to the importation of consumer goods to meet domestic needs, it is necessary to manifest a spirit of economizing, oppose boasting and waste, and primarily import essential goods which our country cannot yet produce and supply. It is forbidden to import such luxury goods as alcoholic spirits, tobacco, artistic goods, etc., and goods which can be produced domestically, such as MSG, thermos bottles, electric fans, bicycles and parts, electric appliances, the various kind of silk cloth, ready-made clothing, etc.

The importation of such consumer goods as motorbicycles, TV's, video cassette recorders, radios of all kinds, audio and video tapes, and refrigerators from outside the socialist market sector must be limited. Foreign exchange used to import essential consumer goods cannot exceed 15 percent of the foreign exchange earned from exports (that ratio does not include the foreign exchange used to import consumer goods to sell at retail prices in stores which sell goods for foreign exchange).

With regard to the importation of consumer goods to sell for foreign exchange, the sectors and localities have been authorized to set up stores to sell goods at retail prices for foreign exchange to foreign guests and others who legally have foreign exchange, in accordance with state regulations, and are authorized to import the various kinds of goods to meet the consumer needs of those categories. Our cadres and workers who have gone to work abroad and send or bring foreign exchange back to Vietnam must be guided in consuming import goods in a manner appropriate to life in our country. The selling of such goods must be tightly managed and they must not be sold to people who are not authorized to buy them or slipped out to the free market.

With regard to the exchange of goods with Laos and Cambodia, the economic cooperation, commercial exchange, and mutual assistance relations between our country and the two fraternal nations of Laos and Cambodia have special significance and importance. The exchange of goods with those two countries must be concretized in the export-import plans and specific steps must be taken to meet those plan norms. When there is importing or exporting through the ports of entry permission must be obtained from the Ministry of Foreign Trade.

5616

CSO: 4209/556

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

HOANG TUNG MARKS FOUNDING OF JOURNALISTS' ORGANIZATION

OWO41820 Hanoi VNA in English 1002 GMT 4 Jun 86

[Text] Hanoi VNA June 4--A 400-strong meeting was held at the journalists' center here today to mark the 40th anniversary of the International Organization of Journalists (OIJ).

It was attended by, among others, Hoang Tung, secretary of the Communist Party of Vietnam Central Committee and president of the Vietnam Journalists' Association (VJA) and foreign journalists working in Hanoi.

Speaking at the event, Dao Tung, OIJ vice-president, vice-president and general secretary of the VJA, recalled the OIJ's constant growth over the past 40 years, and its endeavours in fighting for peace, friendship and mutual understanding among nations.

He highlighted the important role played by journalists in the present fight to safeguard peace and prevent a nuclear war. The OIJ, he said, has been working hard to protect the journalists' professional rights in the fight for mutual understanding and cooperation among nations, and a world free of war.

Dao Tung recalled that the VJA has been affiliated to the OIJ since 1950, and since then this international organization has wholeheartedly supported Vietnam's wars of resistance against aggression, and for independence, freedom, and national reunification and reconstruction.

On behalf of the Vietnamese journalists, he warmly thanked the OIJ for its moral support and material assistance including personnel training.

The participants at the meeting adopted a letter of greetings to the OIJ on the anniversary.

/12712

CSO: 4200/1106

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

BRIEFS

MONGOLIAN CHARGE ON MPRP CONGRESS--Hanoi VNA June 4--The Charge d'Affaires A.I. of the Mongolian Embassy, Batbouyan, held here today a press conference on the results of the recent 19th Congress of the Mongolian People's Revolutionary Party. Addressing the press conference, Batbouyan highlighted the great results of the 19th M.P.R.P. Congress. With regard to the foreign policy of the M.P.R.P., he reaffirmed that the Mongolian party, government and people totally support the efforts made by Vietnam, Laos and Kampuchea aimed at normalizing the situation in Southeast Asia and stepping up dialogue with the A.S.E.A.N. countries in order to turn Southeast Asia into a region of peace, stability and cooperation. He stressed that the recent partial withdrawal of the Vietnamese Army volunteers from Kampuchea once again showed the goodwill of the three Indochinese countries and that the situation in Kampuchea is irreversible. [Text] [Hanoi VNA in English 1559 GMT 4 Jun 86 OW] /12712

SWEDISH PAPER INDUSTRY AID--Hanoi VNA June 4--Swedish Ambassador to Vietnam C.E. Lindahl and Vietnamese Vice Minister of Forestry Tran son Thuy signed in Hanoi yesterday two agreements on Sweden's aid for Vietnam's paper industry. Under these documents, the Swedish Government will give further aid to Vietnam in developing its paper industry concerning the operation of the Swedish-built Vinh Phu Paper Mill and a program of afforestation and land protection aimed at ensuring a regular feed for the mill in the period 1986-1990. [Text] [Hanoi VNA in English 1555 GMT 4 Jun 86 OW] /12712

DELEGATION RETURNS FROM MONGOLIA--Hanoi VNA June 5--A delegation of the Communist Party of Vietnam led by Chu Huy Man, Political Bureau member of the party Central Committee and state council vice president, has returned here after attending the 19th Congress of the Mongolian People's Revolutionary Party. [Text] [Hanoi VNA in English 1455 GMT 5 Jun 86 OW] /12712

DELEGATION TO ITALY, FRANCE--Hanoi VNA June 5--A delegation of the Central Vietnam Coastal province of Quang Nam-Da Nang has paid a friendship visit to Italy and France. The delegation led by Pham Duc Nam, chairman of the provincial people's committee and Presidium member of the Vietnam Committee for Friendship and Solidarity with Other Peoples, had cordial meetings with leading officials of several localities, friendship associations and Vietnamese residents in these countries. Agreements on economic cooperation and good exchange between Quang Nam-Da Nang and some Italian and French firms were signed during the visit. [Text] [Hanoi VNA in English 1447 GMT 5 Jun 86 OW] /12712

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

REPORT ON LENINIST PARTY WORK STYLE PUBLISHED

Hanoi NHAN DAN in Vietnamese 25 Apr 86 p 3

[Party Building column: "Fifth Party Congress Resolution on Work Style"]

[Text] On the occasion of the entire Party carrying out the first phase of self-criticism and criticism, NHAN DAN has excerpted below the part of the Report on Party Building dealing with the Leninist work style:

It is necessary to change the working method and create for the Party a Leninist work style. That is a major concern in our Party's leadership work. The actual situation has clearly shown that correct working methods and rules are an especially important factor in assuring accuracy in making decisions and transforming them into reality.

a. First of all, it is necessary to completely change the method of preparing and issuing decisions, especially with regard to economic matters, along the lines of strengthening the scientific nature of working methods.

An essential matter in making correct decisions is firmly grasping the actual situation and ensuring accurate information. That demands that there be close monitoring of the actual situation by the leadership cadres, and that we pay all-out attention to strengthening organization and changing the way the staff organs study and grasp the situation. The research organs must synthesize the situation and process information in order to draft plans based on accurate information. The information synthesizing organs and elements must obtain information rapidly, select information that should be reported, and make timely reports to assist cadres in leading and guiding problems in a suitable manner. It is necessary to respect opinions of the masses and synthesize the opinions of the lower echelon.

Preparations for the important decisions must be based on study of the different alternatives, there must be close coordination among the responsible organs of all echelons and sectors, extensive use must be made of the research results of the institutes, and the opinions of people well-versed on the topic must be obtained. With regard to the new, complicated, and especially important matters, the Political Bureau and the Secretariat must directly guide trial implementation and use the actual results of that trial implementation to make decisions.

It is necessary to make careful preparations before making decisions, the rationale of which is already clear, in order to reach unanimous agreement or select the alternatives. In the event that unanimity has not been reached, the matter must be thoroughly discussed, and opinions must not be reconciled out of indulgence or indecision, with the result that half-baked decisions are made, which causes harm in many respects: the understanding and implementation of the resolution are not unified, which causes dispersion and reduces the effectiveness of discipline vis-a-vis carrying out the decisions.

It is necessary to pay attention to creating conditions so that the decision of the Party and state can be based on scientific analysis. The economic plans and policies must be reviewed comprehensively and deeply, and specific calculations must be made. It is necessary to promote basic studies, strengthen the statistical work, and firmly grasp and analyze the situation in order to serve the requirements of leadership.

It is necessary to create a process, extending from top to bottom, of making decisions in the spirit of ensuring that decisions are not made if there is insufficient information, if their effect is not calculated, and when the procedures regarding decision making are not followed.

b. Only by making correct decisions is it possible to create a basis for the course of action. The key matter is organizing the implementation of decisions in order to transform them into reality. If the study of decision making is one, the organization of implementation must be ten. We must resolutely overcome the situation of beating the drums and then throwing away the drumsticks, and being satisfied with making decisions. There must be plans for implementing resolutions, there must be an explicit division of labor among people and organs responsible for implementation, deadlines must be set, and people and organs must be designated to monitor, oversee, and inspect implementation. The major resolutions must be concretized in a timely manner into specific policies and measures. With regard to matters in which we do not yet have experience, we must have trial guidance before expanding their scope.

Leadership and management art is knowing how to concentrate effort and attention on which places and which aspects. Special attention must be given to investigation, preliminary recapitulation, final recapitulation, gaining experience, commendations and awards, and timely discipline.

c. The changing of decision-making methods and the organization of the implementation of decisions in accordance with the above requirements are an important part of Leninist working methods and style. We must do many things to achieve that style in improving the Party's leadership.

It is necessary to grasp the requirements of achieving unity between theory and practice, between words and deeds, and between policy and organization. The serious separation at present between those aspects is an important reason for the lack of effectiveness in organizing implementation.

It is necessary to achieve unity between the revolutionary nature and scientific nature of all tasks, and to combine revolutionary enthusiasm with organized action and good methods. The Party must create for the cadres a practical, concrete way of thinking and the habit of calculating the effectiveness of their work. It is necessary to urgently bolster leadership cadres with regard to leadership science and management science.

It is necessary to work in accordance with functions and work rules, and not arbitrarily work in accordance with the private opinions of the people in charge. From the central echelon down through the lower echelons it is necessary to strengthen organization and use it well. The apparatus must be streamlined and the people directing it must truly be people who are capable and knowledgeable. On the basis of the work functions and rules it is necessary to review the implementation of decisions, with timely praise, awards, and discipline.

It is necessary to achieve a work style of self-criticism in the Party and before the masses, and to truly discuss with the people the resolution of difficulties in the management process in order to continually advance the movement. Every 3 or 6 months, or when there is a major task, the opinions of the people must be solicited and arrangements must be made for the masses to criticize cadres, party members, and the party and state organs. It is necessary to strictly analyze social opinion in order to adopt stands and policies in a timely manner.

5616

CSO: 4209/555

27 June 1986

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

PROSELYTING TASK, YOUTH UNION ACTIVITIES IN ARMY DISCUSSED

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Mar 86 pp 9-17

[Article by Lieutenant General Nguyen Nam Khanh: "On the Occasion of the 55th Anniversary of the Establishment of the Indochinese Communist Youth Union (From 26-3-1931 to 26-3-1986) -- Promoting the Movement for Revolutionary Action Among Youths in the Army"]

[Text] The construction and defense of the fatherland in the first phase of our country's period of transition to socialism is creating momentous but very new and extremely difficult and complicated tasks for all our party, people, and army to fulfill. This undertaking requires that we develop to a high degree the collective ownership role of the people and the combined strength of the entire proletarian dictatorship system. Consequently, the mass proselyting work as it is carried out under the conditions of our party holding the power does not diminish but is greatly increased instead.

The youths are a large force of the masses in society and the party's assault force in carrying out any revolutionary tasks. Therefore, youth proselyting is a great and very important part of the party's mass proselyting as a whole.

Up to now, through all periods of the revolution, our party and Uncle Ho had been showing a great concern about youth proselyting, which was always considered a strategic task of the party aimed at not only responding to the revolutionary task but also building a generation of new and fully developed people who would loyally and brilliantly continue the party's and nation's undertaking.

Today, youth proselyting is also put against the new historical background. In the country, the struggle to resolve in an absolute manner the question of "which one wins" between the two roads, socialist and capitalist, is taking place in a bitter manner; the struggle for steadily defending our people's socialist fatherland and against the multifaceted war of destruction and a form of war of encroachment at the border areas waged by the Chinese expansionists and hegemonists in collusion with the American imperialists is becoming more and more complex and decisive. In the world, the struggle between the two socialist and capitalist systems and between the three revolutionary cascades and the bellicose imperialists in all fields is also very bitter. The enemy are seeking every means to win the youths over to

their side, to divide the youths in order to make them go astray, and to take them away from the revolutionary force.

The Political Bureau has issued Resolution 26 on "Strengthening the party leadership over the youth-related work" to suggest very basic and broad matters aimed at stepping up the youth-proselyting work. We can say that this resolution is the party's program of youth-related work and the youths' program of action, as well as the strategy for turning the youths into the new socialist men in the new stage of our country's revolution today.

The youths in the army are an important segment of the nation's youth population.

In our army they account for 80 percent of our force. Forty-five percent of party members are youths. In average, every year between 1981 and now 45,000 outstanding youth union members have been recruited into the party. In the officers' ranks 40 percent are youths. Tens of thousands of cadets in officers' schools are youths, with large numbers of graduates each year being sent to units and thus raising everyday the percentage of youths among officers. This is a force of great potential, for our youths along with other combatants are directly carrying out in a successful manner all of the army's construction and combat tasks in the defense of the fatherland. This is an unlimited source of supply of outstanding young people for the party and officers' ranks.

In basic units, the youths, including those who are low- and middle-level cadres, are the principal objects of leadership, command, party, and political work. The directive of the Central Military Party Committee also determines that "The youth-related work is an important and permanent political task of party organizations and commanders" and affirms that "To properly implement Resolution 26 of the Political Bureau in the army as a whole is to make an important contribution not only to raising its fighting power but also to training and building the new socialist men."

In order to further develop the great role of youths and to push forward their revolutionary action movement, the question that is being raised for leadership over the youths in the army as a whole, as well as in different units, is to thoroughly understand the youth-proselyting views and ideas set forth in the resolution of the Political Bureau, the role of youth proselyting in the army, and the suggestions made by the Central Military Party Committee for correct and creative application to the real situation of the youths in the army.

First of all there is the question of correctly evaluating the real situation of youths.

To evaluate the situation and work having to do with youths in the country as a whole, in the army, and in different units must be extremely objective and scientific to reflect fully the party's views about youths and about evaluating them. Whether the evaluation is correct or not greatly affects leadership over youths and their movement. For the older generation this is a matter of political responsibility and love for the generation that will

continue the party's and nation's revolutionary undertaking. Only by having correct views and objective and scientific methods of evaluation can we see all of the great contributions, very basic strengths, and stages of growth of youths, and at the same time find their immature aspects, weaknesses, and shortcomings. If we do things superficially and only find their shortcomings and weaknesses while failing to see the good and basic aspects about them, we will certainly become pessimistic, have no confidence, and easily criticize them and worry about them. But if we simply think that their immature and weak aspects will eventually go away by themselves as "The moon will be full on the 15th" and "As the bamboos get old, their shoots will grow," and fail to see the full responsibility of the older generation, this will lead to an attitude of leaving the youths alone and being uncommitted. Some people also want to take their own "time of youth" a few decades back and to use it as a "precious yardstick" or role model for the young, but because they cannot achieve this subjective wish, they are sad and feel that today's youths are too "spoiled." They do not see the fact that the new requirements of every generation of youths always change with the development of society and of every stage of our country's revolution. These requirements continue and further develop the old fine traditions, but to continue them does not mean to keep them exactly as they used to be. Some people usually consider or treat the young from the position of a "father or uncle" by requiring a respect for hierarchy and ranks but without fully exercising the responsibility of the older generation toward the generation that will continue the revolutionary undertaking; as a result, they tend to have the attitude of ruthlessly imposing their wishes and hence violating the young people's self-respect and human dignity. This situation leads to adverse consequences that are harmful for the good relationships between cadres and combatants and between party members and the masses.

Among the young, quite a few of them put too much stress on the educational background the revolution has given them, believe that they can do impossible things, and lack respect for the advices and experiences of the older generation, whose members they consider too conservative and "have ended their historical role." We must also mention the impressions that some older cadres who are far from exemplary have created in the mind of the young, who can more easily misjudge the older generation. The complex of inferiority that some youths have also is an obstacle that binds their hands and makes them afraid of responsibilities and reluctant to do things. Other youths think a great deal about benefits and demand a great deal from the organization while failing to see their own responsibility and obligation toward society and the party's and nation's revolutionary undertaking today.

It is true that the youths in the army, as well as the young generation today in general, still show such weak aspects as their understanding of socialism, determination to struggle for the revolutionary ideals, spirit of collective ownership, and political responsibility being not very high; their sense of organization and discipline being loose; lack of the abilities that allow them to lead a correct way of life, and so on. But the realities in the last over 10 years of building and defending the socialist fatherland have also indicated that "The youths today who grew up in the nation's great era and were trained by the party and new system have further developed the nation's traditions, have made brilliant contributions, and have matured quickly," as

the Political Bureau resolution points out. On the national defense and security front, as in other fields of activities, groups after groups of cadres, youth union members, and youths have been showing their courage and persistence, overcoming any difficulties and hardships, defeating any enemies, steadily defending the socialist fatherland, maintaining political security and social order and security, and enthusiastically carrying out the noble international obligation.

To thoroughly understand the party's views on and meaning of evaluating the situation of our youths and to apply them in a correct and creative manner to the real situation of the youths in different units is a matter of decisive significance that helps to create a unity of views among party committee echelons, cadres, party members, and youths. This is a key requirement in the task of leading, promoting, and pushing forward the youths' revolutionary action movement; a strong basis for fully determining the responsibilities, guidelines, contents, and measures to educate the youths and to mobilize their great potential and strength in fulfilling the political tasks of the army and their unit; and also a direction for the youths' struggle, training, and action.

To teach youths revolutionary ideals is a very important requirement, but to teach ideals is not solely accomplished by promoting them to the next higher political class but must be closely linked with thoroughly understanding and successfully carrying out the tasks of the army and units.

Resolution 26 of the Political Bureau points out that "through labor, combat, learning, and social activities let us train the young generation of our country to become the new socialist men to continue in a loyal and brilliant manner the party's and nation's revolutionary undertaking." This is a very correct direction that must be keenly understood in connection with leadership over youths in different units.

To teach youths revolutionary ideals and objectives for their struggle is the basic task aimed at setting a direction for their action and allowing them to develop their intelligence and talent and to strive to make the greatest and highest contributions to the construction and defense of the fatherland. Take the motto, "Live, fight, work, and learn by following the examples set by the great Uncle Ho," as the main substance and primary objective of teaching ideals to Vietnam's young generations. Do not think that in the present situation to teach revolutionary ideals is something remote. It makes youths keenly understand the direction and task of the revolution, the tasks of the army, and their own tasks; it clearly defines for them the direction of their struggle and how to think and to act in order to develop the role of youths toward the revolutionary undertaking, the task of the army, and the future of the country, which includes the future and happiness of the young generation itself.

It is necessary to make youths in general, especially the youths in the army, clearly see the Chinese expansionists and hegemonists as dangerous enemies, who are directly attempting to conquer our country. This is the greatest obstacle to the defense and construction of our fatherland and to the bright future and lasting happiness of our people and youths. Consequently, the

young people's great honor and responsibility require that they stress the nation's heroic and indomitable spirit, readily sacrifice their lives for the fatherland, remain ready to fight and to fight victoriously, firmly defeat any enemy aggressive tricks and any enemy plot to wage the aggressive war on any scale, steadily defend the socialist fatherland, protect the life of peaceful labor, and protect the people's freedom, dignity, and happiness. Therefore, to teach youths the obligation to defend the fatherland is extremely important. This is the only way to help some youths to overcome the tendency to be reluctant to join the army, to avoid difficult and fierce situations, and even to leave combat positions before receiving orders to do so.

To teach revolutionary ideals and combat objectives must be closely linked with fulfilling the political tasks of units, such as training, being ready for combat and fighting, doing work for economic construction, fulfilling international obligations in both regular work and learning, building units, building a clean and wholesome way of living in discipline and with cultural activities, and fighting against the negative aspects.

Patriotism, loyalty to the party and people, and the sense of accepting and further developing the army's proud traditions must be materialized by action through fulfillment of the actual tasks of units. Gradually improve political understanding and teach youths revolutionary ideals by making them learn to follow the examples of good people and good deeds in training, combat and combat readiness, productive labor, learning, regular work, and compliance with army discipline and state laws, and by avoiding generalized appeals and encouragement.

To teach youths the party's combat ideals and objectives, the correct motivation for joining the party, and the concept of struggle, and to train them to become party members and cadres ready to serve for a long time in the army is also an important part of the teaching process aimed at raising the understanding of revolutionary ideals among youths in the army.

The process of teaching revolutionary ideals and objectives for the struggle must be gradually materialized in the young people's program of action and in the plans and goals of all youth union chapters and members and of every youth, and must be closely linked with fulfilling the political tasks of units and achieved through the results of this fulfillment, which helps youths to have a more and more progressive training direction and to gradually overcome weaknesses and shortcomings.

To teach revolutionary ideals, to raise youths' understanding of the latter, and to develop their assault role must go hand in hand with an appropriate concern about their interests, both material and spiritual.

Youths, particularly the generation of young people today, have a great need for knowledge and a good cultural and spiritual life. They need progress and want to know and to be informed of the situation of their country and units. These are new indications on the part of the new men who are aware of their collective ownership right. Therefore, in leadership work, do your best to care about youths' progress and growth, try to respond to the greatest extent to their very legitimate needs, care about their material life, listen to

their ideas and aspirations, and create favorable conditions for them to act and to make the greatest contributions to the party's and nation's revolutionary undertaking and ideals.

Care about building strong basic-level youth union organizations and develop the role of the latter as a political organization of youths within the proselyting task aimed at making them struggle to move forward, ceaselessly grow up, and make the greatest contributions to successfully fulfilling their unit's tasks.

Youths are the assault force of their unit in all fields of activities. The Ho Chi Minh Communist Youth Union is the school that teaches communism and the political organization of the youth force. In order to develop the role of youths and to push forward their revolutionary action movement we must first of all care about building youth union organizations and strengthening leadership over youth union activities.

To build strong basic-level youth union organizations is the key task in youth union construction. Youth union activities must attain high quality and effectiveness, which is to brilliantly fulfill its actual tasks and to build mature and strong youth union organizations. In order to accomplish it, attach importance to the contents of these activities and at the same time adopt many measures and forms being suitable for the young, appropriate for such contents but far from showy and formal. The youth union's revolutionary action movement must be realistically aimed at attaining at any cost the goal of successfully fulfilling the political task of basic units and training youths to become the new socialist men.

The strong basic-level youth union organizations first of all must prove that they are the youths' political organization and have correct, active, and creative direction for action in their youth-proselyting work; strict control over their members; and many forms of activities and measures to help youths to train themselves and to make progress. During any decisive and prolonged fighting, when some units encounter difficulties, or when the outside situation has adverse effects on our youths, the strong youth union organizations must educate and mobilize the latter in order that they play the role of the party's revolutionary assault force, along with party organizations strive to help units to overcome any difficulties and challenges, successfully fulfill any tasks assigned to them, and maintain the political role of youth union organizations toward youths.

In building youth union organizations, adhere to the central task, which always is to perfect organization and to train the specialized cadres in charge at all levels in both capabilities and quality, as well as experience in youth proselyting. To build youth union organizations must be made a part of the overall building and organizing task in basic units. Party organizations must consider the task of building youth union organizations their responsibility and avoid assigning it to the youth union or political organ concerned. Always learn from experience in order to properly prepare youths for the struggle to become youth union and party members, army officers, and specialized and technical staff members. Organs and cadres at all levels must have plans for training and rotating the cadres in charge of

youth-related work so as to ensure having the right numbers of them and good quality, which both satisfies the requirements of this work and creates sources of supply for the ranks of political cadres. The cadres who do this work must be selected in a manner suitable for their position and the responsibilities assigned to them. In annual plans objectives must be defined for gradually bringing almost all youths into the youth union. Every year efforts must be made to make sure the majority of youth union members fully qualify as members and to raise the percentage of outstanding members by 5-7 percent, and to raise it to 60 percent in basic units by 1990. Among army officers being youth union members 90 percent must achieve the outstanding rank. Strive to have 70 percent of basic youth union organizations and youth union chapters rated as strong and progressive ones.

Elementary and advanced training of youth union members must be linked with creating sources of supply for the ranks of party members and cadres in accordance with the criteria that have been set for party members' activities.

In addition to achieving organizational perfection, party committee echelons, commanders, and political organs must attach importance to providing the youth union with guidance for its activities.

It is necessary to attach importance to improving and raising the quality of the youth union's daily and other activities at the basic level, developing their function as schools that teach communism and train youths in becoming the new socialist men, and creating a strong enthusiastic and broad movement for revolutionary action among youths. In the present situation, concentrate your efforts on teaching the will to fight, the sense of responsibility, and the concept of organizing discipline and stress the concept of ceaselessly raising one's knowledge, mastering military techniques, building a wholesome and simple way of living, and further developing the "Mr Ho's troops" traditions.

Constantly learn from experience and improve and renew the formulas and forms of youths' activities. The forms of activities that both have a keen educational meaning and are suitable for young people, such as contests among young propagandists, meetings of different generations, meeting with young army officers and outstanding youth union members, seminars, forums, tours, exchange of experiences, and so on, must be used in a creative manner to suit the needs and situations of individual units, to make youth proselyting richer and more lively everyday and capable of attracting large numbers of youths, and to have good quality and realistic results.

What is decisively significant in terms of renewing the formulas and forms of activities is to develop the young people's active and creative qualities, for they alone can find by themselves the most appropriate and appealing formulas for activities of people in their age groups. The question being raised in connection with leading youth union activities is to guide them in the right direction, to make the formulas and forms adopted correctly serve the youth union's political tasks, and to avoid being inflexible and coercive. The best ways to renew the youth union's formulas for activities and youth-proselyting work are to cling to the basic level, to know very well the conditions of units and the needs of youths, to organize trial-and-error activities in

selected locations in order to learn from experience, and to suggest appropriate formulas for activities, which must be reviewed for eventual adoption in the army as a whole.

In order to properly carry on the youth-related work and to push forward the movement for revolutionary action among youths we must develop the combined strength of entire units and avoid assigning the task to the youth union, political organs, and so on without setting specific terms.

The Political Bureau resolution on youth-related work is an extremely important document that reflects the party's basic ideas and views in its strategic goal of turning the young generation into the new socialist men. To correctly and fully implement this resolution will surely create a profound and strong change in the concepts, views, and responsibilities of all echelons and sectors toward youth proselyting and the youths' movement and further develop their role as an assault force in successfully carrying out the two strategic tasks--building and defending the fatherland--that the party and state have recommended.

Implementing the resolution of the Political Bureau and the directive of the CPV Central Committee and Central Military Party Committee, the Political General Department has had plans for guiding political activities in the army aimed at thoroughly understanding the Political Bureau resolution and pushing forward the youth-proselyting work and youths' movement in the army. This is one of the great jobs to be done in the party and political work in 1986 and belongs to the responsibilities of party organizations, commanders at all levels, organs, sectors, and youth union organizations, as well as the proud responsibilities of all youths, cadres, and combatants in the army.

Under the unified leadership of party committee echelons, on the basis of the party committee resolutions on youth-related work, commanders, political organs, and youth union organizations at different levels must have definite plans to act in conformity with their responsibilities and functions and link them with the work plans of units for specific periods of time.

All political, staff, logistical, and technical organs in basic units must fully understand that their political work and military, technical, and specialized and professional training are aimed at the youths so that they can have appropriate teaching and training purposes and methods and encourage the youths' spirit of collective ownership and creativity.

All organs and cadres specifically in charge of doing youth-related work must study the purposes of teaching and training and recommend to party committee echelons, commanders, and organs such purposes and the methods for teaching and training youths in accordance with the tasks and functions of different sectors.

Under the direct leadership of party committee echelons and with the actual work being carried out by commanders, all organs must closely coordinate their plans and action, unify them, and create a combined strength in their units in order to push forward the youth-related work and the youths' revolutionary action movement. Combine the efforts to study the youths as actual objects in

your arms, services, and units; see the differences in the psychological and ideological aspects, tendencies, and aspirations of the various objects or youths in order to recommend appropriate purposes and forms. Include youth proselyting in the teaching programs of officers' schools and institutes in the army.

The youths in the army are a segment of the nation's youth population. Consequently, in our leadership work, we must find every way to closely link the activities of youths in a unit with those of local youths within the area designated for activities of this unit.

Party committee echelons, commanders, political organs, and youth union organizations at all levels must actively coordinate their activities with the party committee echelons and youth union organizations in the localities where they are stationed, discuss their plans for action aimed at implementing the Political Bureau's youth proselyting policies, and combine the overall strength of their units with that of these localities to include it in the youth-proselyting work.

To implement the Political Bureau resolution on the youth-related work is the responsibility of the party as a whole, the entire system of proletarian dictatorship, and all sectors and echelons inside and outside of the army, first of all and most directly of the youth union and its organizations. The youth union and cadres in charge of the latter must be extremely active and creative, offer ideas to party committee echelons and commanders, and avoid being dependent and waiting in a passive manner. Go to the basic level; have an in-depth knowledge of youths; and understand better their feelings, aspirations, life, and activities. When our youths have a clear concept about their collective-ownership role and let their own voice be heard, they themselves will find ways to resolve any matters having to do with the youth-related work, point to the matters that need leadership and assistance from commanders, and develop by themselves the formulas and forms of activities most suitable for the young in the army. To do so those cadres who are solely or partially in charge of youth union work must also correctly evaluate the young, have confidence in the latter's force, and overcome at any cost bureaucracy and coercion, which make youth union work appear so dull and devoid of life and incapable of attracting our youths.

Our party all the time believes that "Youth proselyting is of special importance. It is a strategic matter of the revolution." (Footnote 1) ("Documents of the Fifth Party Congress," Vol 1, Su That Publishing House, 1982, p 129) Youth proselyting is an important part of leadership and party and political work, as well as a part of the responsibilities of commanders.

Presently the task of building socialism and defending the fatherland is giving rise to matters of great importance. The military task in 1986 and the coming years is also demanding very great efforts on the part of the army as a whole.

Let the youths in the army, the party's revolutionary assault force in the armed forces, strive to move forward and, along with the army as a whole, fulfill and overfulfill the tasks that the party and state have assigned to them.

Let us closely link fulfilling the political task with building the youth union very strong and push the movement for revolutionary action among the youths in the army to a new height.

Let us create a new change in the youth-proselyting work and in the manner of leading the youths, and let us strongly develop the role of the latter in accordance with the spirit of Resolution 26 of the Political Bureau in order to realistically celebrate the 55th anniversary of the establishment of the youth union.

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CSO: 4209/519

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

NEW YOUTH MEMBERS AT CUU LONG DELTA PROVINCE

Hanoi THANH NIEN in Vietnamese Feb 86 pp 20-21, 31

[Article by Dinh Lien Huong: "Dismantle the Obstacles Preventing Us From Doing a Better Job of Developing Youth Union Members"]

[Text] In 1985 the provinces of the Mekong Delta made very encouraging advances in the work of building and consolidating organization and developing new Youth Union members. In general, all provinces have attained and surpassed the norm of numerically developing new Youth Union members by an average of 50 percent over 1984, and in some places the numbers doubled. That reflects the all-out efforts of the Youth Union echelons, and also proves in a practical manner the vital force of the Youth Union to strongly rally and attract youths. The phenomenon of "dry Youth Union chapters" is no longer a major concern. However, it is necessary to admit that the ratio of new Youth Union members still accounts for only about 16 percent of the total number of youths in that region, which does not yet meet the requirements. A number of good youths who want to enter the Youth Union and subscribe to the Youth Union statutes but still are outside the Youth Union. The number of older unit members who matured in the Youth Union account for only 30 to 40 percent.

The gate through which youths are admitted into the Youth Union has been opened wide, is being opened wider, and must be opened even wider. The numbers and quality of Youth Union members are very encouraging, but we must not be subjective. We must resolutely prevent the phenomena from developing too easily and hastily, and not "beat the drum and sign people up" and issue Youth Union activity papers to all youths fulfilling their military obligations, etc., which will weaken the combativeness of the Youth Union and lower the standards of the communist youth union members. The development of new Youth Union members must be tied in with the process of consolidating and building strong Youth Union organizations and rationally distributing Youth Union members in the different sectors, with priority to the direct production spheres, especially the agricultural collectives and cooperatives. At present Youth Union members no longer engage in isolated activities, but the direction of struggle is not allow groups to "operate independently" and to gradually tie the Youth Union organizations directly to the production bases and the economic organizations.

On the basis of the above-mentioned requirements and by understanding the actual situation, we believe that in order to build on the accomplishments of 1985 and allow the Youth Union development work to advance to a new level,

attention must be paid to resolving the obstacles and problems regarding theory and principle, and in actual work, at the basic level.

Seek the leadership of the Party committee echelons and struggle against the viewpoint of being severe and perfectionist in developing new Youth Union members.

Because of the seemingly mistake-free consciousness and fine intentions with regard to the upward advance and maturization of all Communist Youth Union members is to, sooner or later, stand in the ranks of the glorious Vietnam Communist Party, during the past several years the rate of development of new Youth Union members in the Mekong Delta provinces is very slow. At present, that phenomenon and that perfectionist attitude still exist on the part of some leadership comrades at the village level and even at the district level. That viewpoint has led to the admission of new Youth Union members having to be approved by the party committee echelon after it has carefully reviewed their dossiers and carried out meticulous investigations, in order to "purify the ranks of the Youth Union, create conditions for developing the Party in the future. That has caused the development of Youth Union members to proceed very slowly. In part because of strictness and perfectionism, new Youth Union members account for only about 10 percent of the total number of youths. They account for only 13.8 percent of all youths in Long An province. Thus the gate through which youths enter the Youth Union has not truly been opened wide. Here it is very necessary to affirm that not all youths who enter the Youth Union will become Party members. Only truly exemplary, truly outstanding Youth Union members who meet all standards will be allowed to stand in the ranks of the Party, in the vanguard ranks of communists. At the same time, the Youth Union must truly be a political organization of youths under the leadership of the Party. All youths who make a good effort and accept the Youth Union statutes can stand in the ranks of the Youth Union in order to steel themselves, make contributions, and rapidly come of age.

Because of strict, perfectionist viewpoints, at present, in a number of bases many good youths who are members of the Vietnam Youth Federation and struggle positively and sincerely to enter the Youth Union cannot do so if a relative or family member has some deficiency or another. Sometimes even the door to the Vanguard Teenagers Unit, the first step for entrance into the Youth Union, is closed because of family backgrounds.

Because of its educational nature, our mission is to bring large number of children over to the side of the revolution. With regard to youths, it is also necessary to create for them all conditions for them to join the organization so that they can be educated and forged and come of age. To say that does not mean that we lower the standards of Youth Union members or the communist nature of the Youth Union organization.

Return to the basic level the right to take the initiative in developing new Youth Union members.

The Youth union echelons from the district level up the provincial level refer to "giving authority" to the basic level to develop the Youth Union. In fact there is no such thing as "giving authority," but only returning to the basic

level its "legal" right to take the initiative in developing new youth Union members, in accordance with the Youth Union statutes. Its right of the basic level is still being "usurped" to a considerable extent. In some provinces more than 60 percent of the basic units still do not have that right even though they have been recognized as basic Youth Union bases. Failure to return to the basic units the right to develop the youth Union has resulted from the working method of the upper echelon assuming responsibility but not being able to do the job, of a lack of confidence in the basic units, and of the district echelon wanting to do everything, which has resulted in complicated bureaucratic procedures, and the time from the basic unit's recommendation to a decision for admission taking several months being an ordinary occurrence.

Another matter which must be agreed to in developing new Youth Union members is that membership cards must be issued immediately and not delayed. There have even been instances in which the organization has refused to issue cards to new Youth Union members. With regard to principle, everyone understands that when youths are admitted into the Youth Union that means that they are fully qualified to be issued Youth Union membership cards. That irrational "aberration" is perhaps one of the reasons why the problem of issuing Youth Union membership cards has not been resolved during the past several years, but has remained at the level of 60 to 70 percent, which has considerably affected the work of developing new Youth Union members.

Youth Union members must be developed numerically, but it is necessary to maintain quality, create appropriate ratios of Youth Union in the spheres, and build and consolidate increasingly stronger youth union organizations.

As stated above, in 1985 the rate of Youth Union development in the Mekong Delta provinces represented a great leap forward in comparison to the previous year with regard to both the numbers and quality of Youth Union members. The actual situation has shown that places with large numbers of Youth Union members the Youth Union organization is tight and strong, the youth activities are enthusiastic, and the role of the Youth Union is enhanced. However, the phenomenon of admitting youths into the Youth Union hastily in order to meet emulation norms and mobilize youths for military service still occurs. It is necessary to affirm that the development of new Youth Union members is an inherent, vital responsibility of the Youth Union organization that is carried out continually, and is not an activity of an ad hoc nature, a "gift" to youths, or a matter of "accomplishmentism" in emulation.

Another actuality at present that is much in need of attention is that the numbers of newly admitted Youth Union members are not yet appropriate and balanced in the different spheres. In agriculture, in the agricultural production collectives the ratio of Youth Union members is still low and amounts to only five to seven percent of all youths in the rural areas. Some collectives have no Youth Union members, or else two or three Youth Union members must join in the activities of another Youth Union chapter. In order to combine the building up of the Youth Union organization with the production bases, we cannot but pay much more attention to developing the Youth Union in rural areas. In those places, more than anywhere else, there is a need for the Youth Union to play a role in rallying the collective strength of youths.

Many Youth Union cadres believe that the development of Youth Union forces in agricultural production areas is much more difficult than in organs and schools. That is correct, but the method of overcoming and resolving that difficulty is not too difficult, if the development work proceeds in the right direction and concentrates on the two principal categories: older unit members and members of the Vietnam Youth Federation. Because the Vietnam Youth Federation is at present concentrated primarily in rural areas, outside the state organs and enterprises, to draw Youth Union members from the Youth Federation members is to develop the youth Union in agricultural areas. With regard to the older unit members in general elementary schools and middle schools who are brought into the Youth Union, as many as 70 percent return to produce in the localities. It may be concluded that in order for the Youth Union forces in rural areas to meet the requirements of the missions, there is no other course than to promote the Youth Union development work in general, in a planned manner and in accordance with the principal categories, to ensure that quality keeps up with the upward advance of youths, from the Vanguard Teenagers units or the Youth Federation up to the Youth Union.

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C30: 4209/553

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

BRIEFS

RESOLUTION ON YOUTH WORK—Hanoi VNA June 4—Young people make up the majority of the workforce in many services. It accounts for 55 percent in agriculture, 55 percent in industry and handicrafts, 80 percent in the standing armed forces and 60 percent in scientific and technical institutions. Annually 1.4 million youths reach the working age. In implementation of the 26th resolution of the Communist Party of Vietnam Central Committee, the Council of Ministers issued a resolution on the policy and measures to develop the right of collective mastery and the shock role of the youth. The youth have to be the pace-setters in all fields of production, distribution and circulation, in the socialist emulation movement to fulfill and overfulfill the state plans, the resolution said. It urged on services and administrative levels to take active measures to ensure employment for all the adolescents at working age and create conditions for the youth to develop their capacities and innovative spirit. The resolution urged the people's committees in collaboration with the Ho Chi Minh Communist Youth Union and other mass organizations to build more schools, libraries, stadiums, clubs, etc. for the benefit of young people through joint effort of the government and the population. [Text] [Hanoi VNA in English 1551 GMT 4 Jun 86 OW] /12712

CSO: 4200/1106

HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

REFRIGERATED WAREHOUSE COMPLETED AT VUNG TAU

Hanoi NHAN DAN in Vietnamese 25 Apr 86 p 1

[Article: "Refrigerated Warehouse With 1,000 Ton Capacity Brought Into Use To Serve Exploitation of Oil and Gas"]

[Text] Recently, at Vung Tau-Con Dao the management board of the Vung Tau oil and gas project of the Oil and Natural Gas General Department turned over a refrigerated warehouse for use by the Vietnam-Soviet Oil and Gas Joint Enterprise. The warehouse was constructed with the assistance of Finland.

The warehouse is used to store perishable foods to serve the units serving oil and gas exploration and exploitation. It has an area of more than 1,312 square meters and a refrigerated area of 3,650 cubic meters. The oil and gas technical workers school of the Oil and Natural Gas General Department, the project's principal construction unit, did a good job of combining training and production with real effectiveness. The school which for the first time undertook the construction of a large-capacity refrigerated warehouse, worked with the management board of the Vung Tau oil and gas projects in carefully studying the construction area, in supplying technical materials, and in rearranging the instructional and work schedules in order to mobilize sufficient forces and ensure the construction rate. During the construction process, the school came forth with many innovations, especially the manufacture of assembly equipment, which both made possible rapid assembly and ensured precision in assembly. Thanks to the rational organization of construction, the construction units completed the project 1 month early and installed 392 tons of equipment safely and with the correct techniques. The project was constructed with good quality and is ready to serve off-shore and on-shore construction by the oil and gas construction units, which is developing broadly.

5616

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LIGHT INDUSTRY

VIETNAM

SEMINAR HELD ON SMALL INDUSTRY-HANDICRAFTS PRODUCTION

Hanoi DAI DOAN KET in Vietnamese 24 Apr 86 p 7

[Article by Kieu Vinh: "Seminar Held To Discuss the Development of Small Industry-Handicrafts Production"]

[Text] Small industry-handicrafts production in Ho Chi Minh City has many strengths with regard to labor, technology, capital, equipment and machinery, and commerce with domestic and foreign markets. It accounts for more than 50 percent of the total output of the city's entire industrial-small industry-handicrafts sector. However, it still has many latent capabilities which have not been fully exploited. If there are correct policies and measures to create additional favorable conditions, it will develop even more strongly. Decision No 34/QDUB of the Municipal People's Committee regarding the organization, management, and encouragement of small individual and family small industry-handicrafts production and the secondary family economy has the agreement and support of industrialists and merchants, working people who have capital and skills, small merchants who want to change over to production, and workers, civil servants, and cooperative members who want to fully utilize the families' idle time in order to increase their legitimate income.

However, because of failure to firmly grasp the contents and characteristics of the period of transition to socialism, policies and measures regarding small industry and handicrafts production and the small industry and handicrafts producers themselves are still beset with many difficulties. Therefore, at present, despite much concern and enthusiasm over the policy of encouraging individual and family small industry and handicraft production and secondary family production everyone is more or less concerned and worried. Will that policy endure for a long time or will it "be shelved after a few years?" Does the Central Committee sympathize with and support it? Is it fully understood by all directly relevant echelons and sectors, such as the financial, banking taxation, market management, foreign trade and other sectors, so that they can strictly and fully create favorable conditions, and not obstacles, for production? Many businessmen have expressed the opinion that they still want to produce because they have capital, machinery, and experience, because they love their occupations, and because they want to serve society and earn additional legitimate income for their families, but that they are very much afraid of being classified as exploiting elements, being placed in the transformation category, etc. They have many other

thoughts about protecting their rights to produce, market products, and own the value created by their labor, etc.

Only if those concerns and worries are resolved can everyone contentedly and enthusiastically organize production and transform the policy into lively and rich reality in the city's economic and social life. That will be a "breach" with regard to thought and confidence which, if opened, will give rise to a high tide of production with many good prospects. The city's government is urgently completing, and will in turn promulgate, specific decisions and documents of a legal nature to guide the implementation of Decision No 34. Furthermore, profoundly aware that the Fatherland Front is the solid basis of support for the governmental administration and in the new phase of the revolution. The Front must, and is fully capable of, participating in developing and managing the economy. With its inherent responsiveness and dynamism, the Vietnam Fatherland Front Committee of Ho Chi Minh City held a broad seminar attended by all categories of people, especially the small industry-handicrafts production circles, regarding Decision No 34, and thereby solicited the aspirations and opinions of the people and contributed specific opinions to the governmental administration regarding the implementation of that policy. On 4 March 1986 the Standing Committee of the Municipal Front Committee provided specific guidance to the Front committees of the districts and precincts, and the Industry-Commerce Liaison Committee on holding people's seminars. The seminars were divided into two steps. The Industrial-commercial Liaison Committee held seminars for its members and a number of well-known small industry-handicrafts producers in the city. The Front committees in the precincts and districts held seminars for the component organizations, the subprecinct and village Front committees, and the local small industry-handicrafts producers. Representatives of such governmental organs as the Cooperative Federation, the industrial, taxation, and banking bureaus, etc., participated. The Municipal Front Committee held a joint meeting with the Front committees of the precincts and districts to synthesize the opinions of the various circles and form them into recommendations to be sent to the Municipal People's Committee.

During those seminars, everyone agreed that Decision No 34 opened up many prospects for developing small industry-handicrafts production to serve consumption and exports, contribute to resolving the labor problem, and gradually stabilizing the people's lives. Many very specific recommendations were made. It is necessary to provide timely guidance of a timely nature to the sectors and trades in which the individual and family small industry-handicrafts and secondary family economy sectors are authorized to produce. With regard to the sectors and trades in which the individual and family components are still allowed to do business, it is necessary to clearly specify how much longer they will be allowed to do so that the producers will be protected legally. On that basis there must be plans to invest in production that are appropriate to the authorized time. There must be suitable policies regarding remissions from Vietnamese abroad and exemptions from customs taxes to exploit the sources of foreign exchange, equipment, and materials sent back from producers' relatives abroad. It is necessary to resolve difficulties regarding electricity, prices, taxes, raw materials, and the marketing of products in order to truly encourage production. There must be a flexible, dynamic management mechanism that ensures management by sector

and locality, manages the prices and quality of products, protects the environment and ecology, and does not create difficulties and trouble for producers with regard to administrative procedures. It is necessary to set up an organization, in which the Front participates, which is responsible for individual and family small industry-handicrafts and the secondary family economy to guide the production and marketing of products for each commercial category.

In addition to recommendations of a general nature, the seminars also expressed many opinions about specific matters, such as a recommendation that the municipal government encourage silk weaving, a traditional trade, because silk products have high export value. Funds should be set up by the city or by precincts, districts, or subprecinct credit cooperatives to assist the small industry-handicrafts sector, not merely the small industry-handicraft producers with economic relations with the state.

The seminars on Decision No 34 held in Ho Chi Minh City were truly a broad political activity campaign among the people which helped everyone understand more clearly the situation of the nation and the city, and to have more profound awareness of the spirit and contents of resolutions 6, 7, and 8 of the Party Central Committee, and presented their legitimate aspirations so that the governmental administration could have a reliable basis on which to supplement and perfect its policies and measures regarding the development of small industry and handicrafts.

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CSO: 4209/552

LIGHT INDUSTRY

VIETNAM

BRIEFS

FROZEN SHRIMP FACTORY--Ha Nam Ninh has put the first frozen shrimp factory into operation. This will support the marine products export requirements of the province in 1986 and in the years ahead. This factory was built with the province's own capital. The factory can process and freeze 500 kg of shrimp and produce 10 tons of ice a day. About 50-60 tons of frozen shrimp can be stored for many days in the two cold-storage storehouses, which have a capacity of 100 cubic meters. The factory's electrical and water systems ensure continuous production. [Text] [Hanoi QUAN DOI NHAN DAN in Vietnamese 6 May 86 p 1] 11943

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TRANSPORTATION AND COMMUNICATIONS

VIETNAM

OPENING OF NHA BE-DUYEN HAI ROAD REPORTED

Hanoi QUAN DOI NHAN DAN in Vietnamese 1 May 86 p 1

[Article by Tran Dinh Ba: "The 36-km Road Between Nha Be and Duyen Hai Has Been Opened"]

[Text] Scoring achievements on the 100th anniversary of the Labor International and the 11th anniversary of liberation of the city on 29 April, the Ho Chi Minh City People's Committee and the Duyen Hai District People's Committee organized a ribbon-cutting ceremony to open the 36-km road between Nha Be and Duyen Hai.

Construction on the Nha Be-Duyen Hai road, which is an important project of Ho Chi Minh City, got underway in March 1984. During the planning and construction, the planners and construction workers encountered many difficulties. The road passes through dense forests and marshes and crosses hundreds of ditches and large rivers. To prepare the road foundation, which is 10-30 meters wide, a layer of mud 6-11 meters deep had to be removed. Dirt had to be brought in from as far away as 10-20 km.

The forces that participated in constructing this road included the transport cooperatives, wards, urban districts, Federation 6 (subordinate to the Ministry of Communications), Project Enterprise 32, Communications Project Enterprise 1 (subordinate to the Ministry of Communications), the Gia Dinh Unit (subordinate to the Ho Chi Minh City Military Command), and forces of the Ho Chi Minh City Public Security Service. In particular, among the forces participating in constructing this road was the Rung Sat Special Operations Unit.

After 2 years of carrying on construction urgently, excavating and emplacing tens of millions of cubic meters of earth and rock, building 6 permanent concrete bridges and 1 Ha Vo floating bridge 300 meters long, on 29 April 1986 the Nha Be-Duyen Hai road was officially opened. This road will help connect Duyen Hai, an old district that is regarded as the "outstanding labor" district of Ho Chi Minh City, to the city by road. This will facilitate economic, cultural and social development and help solidify national security.

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LABOR

VIETNAM

NEWSPAPERS DISCUSS PROBLEMS EMPLOYING YOUTH

THANH NIEN Reports

Hanoi THANH NIEN in Vietnamese Feb 86 pp 4-7

[Article by Le Van Nhan: "Some Opinions on Providing Employment and Using Young Workers at Present"]

[Text]

I

All-Out Efforts To Create Trades and Jobs for Youths During the Recent Period

In addition to the regular educational system made up of colleges, specialized middle schools, and vocational schools, there are 50 vocational guidance centers, set up in accordance with the slogan of the state and the people working together, in 20 provinces and municipalities all over the nation. Forty of those centers have regular workshops. There are 2,400 vocational instructors for 35,000 youths. In comparison to 1983, the number of such centers has increased 2.4 times. Ho Chi Minh City has issued a directive on popularizing trades among youths and the municipality of Hai Phong has issued a decision regarding vocational training for students after they graduate from general middle schools and general elementary schools if they do not have conditions for continuing their study. The other localities have different forms of vocational training: work-study, full-time vocational study, apprenticeship training, etc.

With the work-study form, every year Ho Chi Minh City has given vocational training to, and provided jobs for, 10,000 demobilized troops and Assault Youths and hundreds of thousands of general middle school students who could not continue on in the regular system. At the Le Thi Hong Gam vocational center in Precinct 11, 15,000 students at the highest level of the general school system (98 percent of the total number of students) have taken vocational training.

In Hai Phong, at the railroad car factory the Labor Service has organized work-study classes and has saved more than 4 million dong (old money) in vocational training expenses in comparison to the regular educational system. Furthermore, the students receive 200 dong per month for their production. Those classes at the ready-made export clothing, bicycle parts, automobile

repair, and other factories, have helped the enterprise surpass its plan norm by 15 percent.

In general, vocational training in the above-mentioned forms has many good points, have attracted many youths to study trades that are appropriate to the requirements of the localities and enterprises, and have economized greatly on training expenses (in the regular system the state must invest 35,000 to 40,000 dong per person, but in those forms it invests only about 2,000 to 2,500 dong per person).

Sending labor to the localities in past years has contributed positively to providing jobs for youths. Since 1980 Ho Chi Minh City and the town of Ninh Ho (Phu Khanh Province) have sent more than 700,000 people to develop nine state farms, new economic zones, set up Assault Youth units, carried out capital construction with the slogan of the state and the people working together, and mobilized hundreds of millions of dong and millions of work days. The town of Ninh Hoa has reduced the number of people in nonagricultural occupations by 20 percent and reduced unemployment by 30 percent. Ho Chi Minh City has reduced the number of people in nonagricultural occupations and provided hundreds of thousands of workers with stable employment. Hanoi and Hai Phong have effectively organized the people to go to develop the Lam Dong, Route 14 (Ho Son), Gia Ninh (Thuy Nguyen), and Vinh Quang (Tien Lang) state farms.

During the past 5 years the handicrafts sector has made notable advances. Its work force has increased by 160 percent, its total output has increased 900 percent, and the number of cooperatives and production collectives has increased by 180 percent. Ho Chi Minh City has completed the reorganization of three important sectors: textiles, bicycles and parts, and glass. The cooperativization of small industry and handicrafts attained 67.1 percent. In each subprecinct there are 8 to 15 handicraft teams, each of which has 15 to 20 workers.

In Hanoi 18 percent of the workers are members of handicraft cooperatives, in Ho Chi Minh City the figure is 38.5 percent, and in Hai Phong the figure is 52.1 percent.

In sum, the results of providing employment during the 1981-1985 were that 45 percent entered state organs and enterprises, 35 percent entered handicrafts, 15 percent went to new economic zones, 2.5 percent were employed in the family economy, 1.5 percent entered services, and 30 percent have unstable employment.

II

Urgent Requirements and Great Capabilities

The resolution of the Fifth Party Congress stated that "Our most valuable capital is labor. The greatest potential that can be developed before the others is labor. The land (including forests and the seas) is capable of employing the largest number of workers. The trades have a great potential, are capable of being strongly developed, and can use many workers." "The

system of collective mastership allows the combination of labor and land, the expansion of trades, and quickly create a new production force."

Along those lines, the resolution also stated, "To provide employment for social labor in the primary direction is to carry out an on-the-spot division of labor to participate in agricultural production, expand the sectors and trades, especially small industry and handicrafts, in the rural areas, cities, and municipalities, develop forestry and fishing, expand services in the cities, etc." The slogan for providing employment is "Positively achieving the slogan of the state and the people working together and the central and local echelons working together."

Recently, the youth proselytizing resolution of the Political Bureau added, "The sectors and echelons must have positive plans for providing employment for youths, especially those who have been trained and demobilized troops."

Every year 1.1 million people reach working age. Thus during the next 5 years, in addition to the workers who are unemployed at present, we must have plans for employing 6 million additional workers. Of those workers, 1.6 million will be in cities, especially in five large municipalities: Hanoi, Hai Phong, Quang Nam-Da Nang, Ho Chi Minh City, and Can Tho, including youths covered by the policy who must have jobs by all means and youths who must be forced to work.

Thus that are the capabilities for employing workers? Not including the requirements of national defense, one can list the following requirements:

In agriculture:

Our total agricultural areas is 11 million hectares, but we are using only 7 million. The remaining 4 million hectares of undeveloped land include 270,000 hectares in the northern mountain region, 1 million hectares in the Central Highlands, 420,000 hectares in the Mekong Delta, 330,000 hectares in eastern Nam Bo, 240,000 hectares in the former Zone 4, and 250,000 hectares in the former Zone 5. In the near future, in the areas that have been zoned 1.6 million to 2.2 million hectares included in the land reclamation plan may be cleared.

In industry:

The state's capital construction projects will continue to be constructed and will require a certain number of workers. Especially, the local projects require many workers.

In forestry:

It is necessary to plant nearly 12 million hectares of forest land and nearly 4 million hectares of industrial crops, including 100,000 hectares in the Bac Bo midlands, 120,000 hectares in the Bac Bo lowlands, 1.2 million hectares in the former Zone 4, 1.75 million in the former Zone 5, 220,000 hectares in the Nam Bo lowlands, etc.

Handicrafts and services:

Handicrafts play a very important role in the national economy. Their output accounts for 60 to 70 percent of the total value of local industrial production, 20 to 30 percent of the total value of exports, and 50 to 60 percent of the value of social consumer goods. We are pursuing the policy of developing them along the lines of "Modern small industry and high-quality handicrafts."

We are developing state and cooperative services in all three aspects--distribution, exchange, and consumption--and services of all kinds: daily life, contracting out, repairs, and commercial services. At present we have 500,000 service workers, including 80,000 in the state sector, 175,000 in the collective sector, and 242,000 in the individual sector, mostly in catering services. The state accounts for 5 to 10 percent. In the socialist countries that ratio is as follows: Poland, 27.3 percent; the German Democratic Republic, 36.8 percent; Bulgaria, 30 percent; the Soviet Union, 27.9 percent, and Czechoslovakia, 34.8 percent.

The family economy:

Developing the family economy is a requirement of the present economic-social situation. In Hai Phong, which is concerned with encouraging its development, there are 30,000 households participating in the family economy. In Le Chan Ward, 50.23 percent of the households participate.

Because the nation's economic conditions are still difficult, it is even more urgent that the family economy be developed. Therefore, in future years, thanks to the state's correct policy, a rather large number of workers will be employed in that development.

III

Recommendations on Organizing the Employment and Use of Youth Workers

With regard to the state organs:

They must provide employment for youths on the basis of state and local plan missions and norms, and regard that as a goal of the mission of stabilizing the people's living conditions, which was set forth by the recent VCP Central Committee resolutions. At the same time, it is a very important matter in implementing the Political Bureau resolution on youth proselytizing in the present phase.

The state must have a correct policy to use labor locally and to send youths to the new economic zones, and encourage collectives and individuals to develop handicrafts, services, and the family economy.

In the immediate future it is necessary to do a good job of applying the following measures: firmly grasping the sources of labor, creating trades and popularizing trades that are appropriate to the bases and localities in the economic zones, and organizing the introduction of professions and jobs.

Priority must be given to providing jobs for demobilized troops and Assault Youth, and for youths who have completed vocational training and have been trained in state schools.

With regard to the new economic zones, it is essential that there be a correct policy and the minimal conditions for ensuring the immediate and long-range living conditions of youths. According to the experience of past years, youths should not be sent before there are appropriate conditions and policies.

It is necessary to expand the forms of the state and the people working together and the state and the mass organizations working together, such as the forms of organizing Assault Youths, youth state farms and enterprises, state grain purchasing and selling agencies, state export purchasing, etc., which ensure the three benefits.

It is necessary to expand international labor cooperation and the export of workers to socialist and nationalist countries. That is a pressing requirement of our country and the friendly countries, and is an inevitable tendency of economic-social relations among countries, especially developing countries such as ours.

The state must soon promulgate an obligation law so that youths can both do a good job of fulfilling their military obligations and their labor obligations, which must be implemented fairly among youths and in society.

2. With Regard to the Youth Union:

In past years, in a number of provinces and municipalities the Youth union has had good activities in this sphere. It is possible to enumerate the following forms:

Organizing Assault Youth forces to do economic work by implementing the policy of distributing labor and promoting production in places which are experiencing difficulties, with regard to the weak links and urgent tasks, etc. The Assault Youth organizations must obey the economic accounting regulations in order to maintain and develop their forces. That is a basic special characteristic of Assault Youth in the present revolutionary phase.

Positively implementing the policy of reorganizing production, setting up youth enterprises, youth construction projects, and youth factories, participating in drafting production plans at the basic level, and directly participating in the management of enterprises, construction sites, etc. It is necessary to rearrange and expand production, employ many workers, and provide jobs for youths, as many enterprises have done. The Youth Union may organize the exploitation and selling of raw materials, set up new youth enterprises, and participate in organizing vocational training for youths.

Mobilizing and organizing youths to participate in small industry-handicrafts and service cooperatives, setting up youth handicraft units, teams, and cooperatives, and exploiting capabilities to develop traditional local trades (including the capabilities of retired skilled workers, workers in traditional

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local trades, etc., to make contributions). It is necessary to do a good job of implementing the slogan of the state and the people working together and the state organs, the mass organizations, and the people working together in developing handicrafts and services in order to employ large numbers of youths.

Youths must be encouraged to develop the family economy, and contribute to producing grain, food products, industrial crops, and export goods. It is necessary to carry out propaganda and education to create public opinion to support youths participating in developing the family economy, and the Youth Union organization must guide youths in implementing the local economic development policies.

The Youth Union must participate in and organize international labor units. International labor cooperation, a major policy of our Party and state, is intended to fulfill the present requirement of our country and those of our friends. The Youths Union may participate in three forms: it may take part in selecting and managing, as it does now; it can take responsibility for organizing and managing such youth labor units, such as the youth enterprises and youth construction sites in our country; or, along with the youth unions of friendly countries, especially the Lenin Communist Youth League in the Soviet Union, it can organize international labor units to construct projects of the Council for Mutual Economic Assistance and the combined cooperation programs of youth unions of socialist countries.

In order to perfect and expand the above-mentioned types of Youth Union labor organization, in its guidance the Youth Union must participate, along with the state organs, in drafting plans and paying attention to the tasks for which it is necessary to mobilize the participation of large numbers of youths in each district, province, and municipality, and coordinate closely with the small industry-handicrafts sector, the labor sector, and the relevant sectors in drafting youth labor regulations and policies and organize the good implementation of regulations and policies.

NHAN DAN Reports

Hanoi NHAN DAN in Vietnamese 25 Apr 86 p 3

[Article by The Lan: "Problems Posed in Youths' Labor Obligation"]

[Text] Under socialism, labor is both voluntary and compulsory. According to Article 58 of our country's constitution, labor is a right, an obligation, and an honor of all citizens.

Our country has a rather large labor force, which is a precious resource. We must use that potential well in order to serve both strategic missions of our country's revolution: building socialism and defending the socialist homeland.

In recent years 25 provinces and municipalities have dynamically and creatively found employment for youths, such as road building, wasteland clearing, reclaiming land from the sea, and building water conservancy projects and projects to serve combat, thus contributing to resolving difficulties in the localities.

In places which do a good job of organizing and managing labor, all youths work with high productivity and surpass the norms. The units collect the full amounts and accumulate surpluses for the state. The material and cultural lives of youths are ensured (for example, Ho Chi Minh City, Hanoi, Quang Ninh, Long An, etc.). In the course of labor, youths are steeled and mature, and their consciousness of organization and discipline is clearly increased. Many youths who were backward have become skilled workers and have been admitted into the Youth Union, and many outstanding Youth Union members have been admitted into the ranks of the party. Also by means of that practical school, many provinces have trained good local cadres who have good moral quality and ability. Calling up youths to fulfill their labor obligations has gradually eliminated injustice in youths' contributions to the Fatherland, and is supported by the people and youths everywhere.

However, there are many points which are not uniform among the various localities with regard to the mobilization of the youth forces. With regard to categories, some places only mobilize able-bodied young men 18 to 27 years old, but who have not yet been able to fulfill their military obligations. Some places mobilize young men up to 35 years of age and young women from 18 to 22 years of age, or even older. The organizational terms and forms also differ from place to place. In Ho Chi Minh City and Hanoi they are called "volunteer youths," Quang Nam organizes "assault youths," Long An calls them "youths fulfilling labor obligations," etc. Some localities organize volunteer youth forces and then also mobilize those who did not volunteer. Furthermore, organization, management, and use differ from place to place. Some places use the term "general unit," under which there are units, enterprises, state farms, state forests, etc. Such units have independent accounting and have the nature of a judicial person. Other places organize battalion and company units and manage activities in the military style. In order to manage and guide the activities of the youth forces fulfilling their labor obligations, practically all provinces and municipalities have set up organizations of a staff nature directly under the provincial people's committee. There are also provinces which assign management and guidance responsibility to the provincial Youth Union organization. In many places, in addition to the youth forces managed and used by the province, the districts also mobilize labor obligation youths to develop the district economy. Some youth units work independently, but there are also localities which use such youths alongside workers at the state forests, state farms, and construction sites (such as Quang Ninh, Hoang Lien son, and Tien Giang). Nearly all of the youths in the localities eat and live together, but in some places youths who are fulfilling their labor obligations continue to live and eat at home. There are also many different regulations in the localities regarding youths who are fulfilling their labor obligations. Mobilization is oriented heavily toward using administrative measures, but little attention is paid to propaganda and proselytizing. Many places do not make prepare material conditions for youths who are mobilized, so they cannot avoid difficulties and complications. There are also places which use such forces to serve the family economy and have lax management, which wastes labor and creates many negative phenomena. There are also instances of spending money to hire other youths to replace people who have to fulfill labor obligation. The time has come when the organization and mobilization of youth forces to construct economic, cultural-social, and national defense projects and the step-by-step rational resolution of the mobilization of youths to fulfill their military

obligations in regular service and the mobilization of youths whose turn to fulfill their military obligations has not yet come should be codified into law, in the spirit of both encouraging and forcing able-bodied people to work. At the same time, in the school of actual practice it is necessary to train and steel our country's young generation so that they can be capable of fulfilling the missions of the socialist revolution.

There have been posed three problems which must be resolved in a unified manner: which categories must fulfill labor obligations, how long the labor obligation will be, and what the regulations and policies regarding them will be.

On the basis of studying the actual experiences of the above-mentioned localities one can begin to see that it is possible to stipulate that the category to fulfill labor obligations are able-bodied young men between 18 and 27, all of whom, if they have not yet fulfilled their military obligations on active duty, must fulfill their obligations of working to contribute to building and defending the Fatherland. With regard to able-bodied young women between 18 and 22 years of age, if they voluntarily participate in obligatory labor the state must encourage them and provide suitable work for them. Another social concern which must receive attention is creating conditions for young men and women to start families and remain to develop the new economic zones. There must be specific, rational plans for mobilizing youths to fulfill their labor obligations, in order not to waste labor. In that spirit, there should be mobilized only well-bodied youths who do not yet have stable employment or who are underemployed. Therefore, it is necessary to stipulate specifically which youths will be exempted from obligatory labor or granted delays, for example, state workers and civil servants; cadres and personnel of the party and mass organization organs; military personnel who have fulfilled their military obligations, students, etc. It is possible to study a policy such as the following: during the time when they are fulfilling their military obligations such youths may receive military training in accordance with an appropriate program and, after they have fulfilled their military obligations they will not be in the category to be called up in peacetime, but will be authorized by the competent military organ to change over to fulfilling their military obligations in a reserve status, in accordance with stipulations of the Ministry of National Defense. If war should break out, some or all youth units may be mobilized to fulfill missions of combat support or combat, or some or all obligatory labor youth units may be brought into the army.

In order to ensure fairness between people who go to fulfill their active service military obligation and those who go to fulfill their labor obligation. Furthermore, the period of youths' obligatory labor should be set at 3 years. Youths may be mobilized to perform obligatory labor for continuous 3-year terms or mobilized for many different periods which add up to 3 years. That matter is dependent on the actual situation of each locality in each specific period. Youths perform obligatory labor to contribute to building and defending the Fatherland and must do many different kinds of work, not only capital construction projects but also production work in industry, agriculture, forestry, water conservancy, transportation, the construction of national defense projects, land clearing and construction in order to send people to develop the new economic zones. Along those lines, depending on its labor needs the state may mobilize labor with different trades, different health conditions, and different strong points. The sectors

and units managing youths fulfilling labor obligations are responsible for arranging for them study political and cultural matters, and to study appropriate trades in order to enable youths to have trades so that they can participate in production labor after they fulfill their labor obligations, according to the requirements of the state and society.

But the mobilization of youths to fulfill labor obligations must also be based on economic accounting in order to ensure that the value of their production is greater than the amount spent on them, and in order to accumulate funds for the state. The problem that is posed here is to organize and manage labor and to resolve the regulations and policies regarding labor. With regard to youths, in addition to their morale it is necessary to do a better job of organizing their material living conditions in order to create good conditions for them to work and to develop physically. On the basis of that method of posing the problem it is possible to stipulate a system of preferential treatment for youths fulfilling labor obligations: payment for labor based on the results of their labor and calculated on the basis of unit price norms stipulated by the state. With regard to labor management, it is necessary to implement contracting norms and regulations. Workers and units surpassing the norms will be appropriately rewarded. youths who have completed their labor obligations with outstanding accomplishments, or who volunteer to remain to work permanently in the new economic zones will, if fully qualified, be given priority with regard to enrollment in schools or to employment by the state apparatus. The obligatory labor time is calculated on the bases of continuous after they return to their home areas youths are also given priority in employment.

Another problem is how to mobilize youths to achieve good results in obligatory labor without affecting the drafting of youths. Perhaps we should make the military draft councils at all levels responsible for helping the people's council at the same level not only in calling up youths to fulfill their military obligations on active duty but also in calling up youths to fulfill their labor obligations, because the military draft councils have a tightly organized system extending from the central level down to the local level, and have experience in grasping and categorizing youths of military obligation and labor obligations age. Furthermore, in mobilizing youths it is first of all necessary to ensure full numbers and high quality. The remaining youths who do not yet have stable employment may only be mobilized to perform obligatory labor.

Organizing the mobilization of youths to fulfill labor obligations is a responsibility of all relevant governmental echelons. But the Ho Chi Minh Communist Youth Union has a responsibility in propagandizing and educating youths to strictly carry out obligatory labor mobilization orders. Along with the sectors and the echelons, it must mobilize and manage those youth forces by providing cadres to manage and oversee the units in using youths fulfilling labor obligation and in implementing the policies and regulations of the state, in order to ensure conditions for youths to work with real economic effectiveness and create conditions for them to bring into play their collective mastership right. At the same time, the Youth Union must improve the quality of its activities among youths and teach them so that they can truly feel that such service is their school of life, guide the socialist emulation movements among youths, be concerned with improving their material and cultural lives, and improve their trade skills and steel them so that they can become new socialist people.

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